Modimolle-Mookgophong

Local Municipality

2020/21 Draft Medium Term Revenue and Expenditure Framework (MTREF)

Table of Contents

Part 1 – INTRODUCTION 9
Part 2 - ANNUAL BUDGET 10
1. MAYORS' REPORT 10
2. COUNCIL RESOLUTIONS 11
3. EXECUTIVE SUMMARY 13
1. Operating Revenue Framework 14
2. Operating expenditure framework 29
3. Cash flow 30
4. Capital expenditure 31
4. ANNUAL BUDGET TABLES 32
Table 11 MBRR Table A1 - Budget Summary 33
Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification) 35
Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by. municipal vote) 37
Table 14 MBRR Table A4 - Budgeted Financial Performance 38
Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding 42
Table 16 MBRR Table A6 - Budgeted Financial Position 44
Table 17 MBRR Table A7 - Budgeted Cash Flows 46
Table 18 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation 47
Table 19 MBRR Table A9 - Asset Management 48
Table 20 MBRR Table A10 - Basic Service Delivery Measurement 53
Table 22 MBRR Table SA 2 - Matrix Financial Performance Budget (revenue source/expenditure type and dept.) 60
Table 23 MBRR Table SA 3 - Supporting detail to 'Budgeted Financial Position' 61
Table 24 MBRR Table SA 4 - Reconciliation of IDP strategic objectives and budget (revenue) 62
Table 25 MBRR Table SA 5 - Reconciliation of IDP strategic objectives and budget (operating expenditure) 63
Table 26 MBRR Table SA 6 - Reconciliation of IDP strategic objectives and budget (capital expenditure) 64
Table 27 MBRR Table SA 7 Measurable performance objective 65

Table 28 MBRR Table SA 8 Performance indicators and benchmarks 66
Table 29 MBRR Table SA 9 - Social, economic and demographic statistics and assumptions 67
Table 30 MBRR Table SA 10 - Funding measurement.....71
Table 31 MBRR Table SA11 - Property rates summary.....72
Table 32 MBRR Table SA12 - Property Rates by Category.....72
Table 33 MBRR Table SA 13a – Service Tariffs by category.....73
Table 34 MBRR Table SA 13b – Service Tariffs by category 75
Table 35 MBRR Table SA 15 – Investment particulars by type.....76
Table 36 MBRR Table SA16 - Investment particulars by maturity.....81
Table 37 MBRR Table SA 17 – Borrowing.....82
Table 38 MBRR Table SA 18 - Transfers and grant receipts.....83
Table 39 MBRR Table SA 19 - Expenditure on transfers and grant programme 84
Table 40 MBRR Table SA 20 - Reconciliation of transfers, grant receipts and unspent funds 85
Table 41 MBRR Table SA21 - Transfers and grants made by the municipality 86
Table 42 MBRR Table SA 22 - Summary councilor and staff benefits 87
Table 43 MBRR Table SA 23 - Salaries, allowances & benefits (political office bearers/...88
councilors/senior managers 88
Table 44 MBRR Table SA 24 - Summary of personnel numbers 84
Table 45 MBRR Table SA25 - Budgeted monthly revenue and expenditure.....90
Table 46 MBRR Table SA 26 - Budgeted monthly revenue and expenditure (municipal vote) 91
Table 47 MBRR Table SA 27 - Budgeted monthly revenue and expenditure (standard classification).....92
Table 48 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote) 93
Table 49 MBRR Table SA 29 - Budgeted monthly capital expenditure (standard classification) 94
Table 50 MBRR Table SA30 - Budgeted monthly cash flow 95
Table 51 MBRR Table SA32 – List of external mechanisms.....100
Table 52 MBRR Table SA33 – Contracts having future budgetary implications 98
Table 53 MBRR Table SA 34a - Capital expenditure on new assets by asset class.....99
Table 54 MBRR Table SA 34b - Capital expenditure on the renewal of existing assets by asset class 100

Table 55 MBRR Table SA34c - Repair and maintenance expenditure by asset class.....101

Table 56 MBRR Table SA 34d – Depreciation by asset class 103

Table 57 MBRR Table SA 34e – Capital expenditure on the upgrading of existing asset by asset class 104

Table 58 MBRR Table SA 35 - Future financial implications of the Capital budget.....105

Table 59 MBRR Table SA 36 - Detailed Capital budget 105

***Part 3 – SUPPORTING DOCUMENTS* 51**

1. OVERVIEW OF THE ANNUAL BUDGET PROCESS 108

2. OVERVIEW OF ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN109

3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....109

4. DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT 110

5. OVERVIEW OF BUDGET RELATED POLICIES 110

6. OVERVIEW OF BUDGET ASSUMPTIONS.....110

7. OVERVIEW OF BUDGET FUNDING 114

8. EXPENDITURE ON ALLOCATIONS FOR PROVISIONS.....115

9. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY.....115

10. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS 115

11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW Error! Bookmark not defined.

12. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS 116

13. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS 116

14. CAPITAL EXPENDITURE DETAILS FOR 2019/20.....116

15. LEGISLATION COMPLIANCE DETAILS.....118

16. QUALITY CERTIFICATION 119

***Part 4 – ANNEXURES* 120**

Annexure A: Tariffs 120

Annexure B: Integrated Development Plan.....Error! Bookmark not defined.

Annexure C: Budget Related Policies 137

List of Tables

Table 1 Consolidated Overview of the 2020/21 MTREF 13

Table 2 Summary of revenue classified by main revenue source 14

Table 3 Percentage growth in revenue by main revenue source 14

Table 4 Operating Transfers and Grant Receipts 16

Table 5 Proposed Water Tariffs 20

Table 6 Comparison between current sanitation charges and increases 22

Table 7 Summary of operating expenditure by standard classification item 29

Table 8 2020/21 Medium-term capital budget per vote 31

Table 9 MBRR Table A1 - Budget Summary 33

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification) 35

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by 37

Table 12 MBRR Table A4 - Budgeted Financial Performance 38

Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding 42

Table 14 MBRR Table A6 - Budgeted Financial Position 44

Table 15 MBRR Table A7 - Budgeted Cash Flows 46

Table 16 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation 47

Table 17 MBRR Table A10 - Basic Service Delivery Measurement 53

Table 18MBRR Table SA 1 - Supporting detail to 'Budgeted Financial Performance 55

Table 19 MBRR Table SA 2 - Matrix Financial Performance Budget (revenue source/expenditure type and dept.) 60

Table 20 MBRR Table SA 3 - Supporting detail to 'Budgeted Financial Position' 61

Table 21 MBRR Table SA 4 - Reconciliation of IDP strategic objectives and budget (revenue) 62

Table 22 MBRR Table SA 5 - Reconciliation of IDP strategic objectives and budget (operating expenditure) 63

Table 23 MBRR Table SA 6 - Reconciliation of IDP strategic objectives and budget (capital expenditure) 64

Table 24 MBRR Table SA 7 Measurable performance objective 65

Table 25 MBRR Table SA 8 Performance indicators and benchmarks 66

Table 26 MBRR Table SA 9 - Social, economic and demographic statistics and assumptions 67

Table 27 MBRR Table SA 10 - Funding measurement 71

Table 28 MBRR Table SA11 - Property rates summary 72

Table 29 MBRR Table SA12a - Property Rates by Category 73

Table 30 MBRR Table SA 13a – Service Tariffs by category 77

Table 31 MBRR Table SA 15 - Investment particulars by type 80

Table 32 MBRR Table SA16 - Investment particulars by maturity 81

Table 33 MBRR Table SA 17 – Borrowing 82

Table 34 MBRR Table SA 18 - Transfers and grant receipts 83

Table 35 MBRR Table SA 19 - Expenditure on transfers and grant programme 84

Table 36 MBRR Table SA 20 - Reconciliation of transfers, grant receipts and unspent funds 85

Table 37 MBRR Table SA21 - Transfers and grants made by the municipality 86

Table 38 MBRR Table SA 22 - Summary councilor and staff benefits 87

Table 39 MBRR Table SA 23 - Salaries, allowances & benefits (political office bearers/cllrs/snr managers 88

Table 40 MBRR Table SA 24 - Summary of personnel numbers 89

Table 41 MBRR Table SA25 - Budgeted monthly revenue and expenditure 90

Table 42 MBRR Table SA 26 - Budgeted monthly revenue and expenditure (municipal vote) 91

Table 43 MBRR Table SA 27 - Budgeted monthly revenue and expenditure (standard classification) 92

Table 44 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote) .. 93

Table 45 MBRR Table SA 29 - Budgeted monthly capital expenditure (standard classification) 94

Table 46 MBRR Table SA30 - Budgeted monthly cash flow 95

Table 47 MBRR Table SA32 – List of external mechanisms 97

Table 48 MBRR Table SA33 – Contracts having future budgetary implications 98

Table 49 MBRR Table SA 34a - Capital expenditure on new assets by asset class 99

Table 50 MBRR Table SA 34b - Capital expenditure on the renewal of existing assets by asset class 100

Table 51 MBRR Table SA34c - Repair and maintenance expenditure by asset class ... 101

Table 52 MBRR Table SA 34d – Depreciation by asset class 103

Table 53 MBRR Table SA 34e – Capital expenditure on the upgrading of existing asset by asset class 104

Table 54 MBRR Table SA 35 - Future financial implications of the Capital budget 105

Table 55 MBRR Table SA 36 - Detailed capital budget 106

Table 56 - Budget assumptions 112

Table 57 - Grant allocations over the MTREF 115

List of Figures

Figure 1 Expenditure by minor type..... 40

Part 1 – INTRODUCTION

The Vision statement of Modimolle-Mookgophong Local Municipality:

A Leading Municipality in the Republic of South Africa.

The Mission statement:

To develop new, and upgrade existing infrastructure
To ensure everybody have running water and electricity on daily basis
Bill our resident correctly
To create a conducive environment that will attract job creating investments

Municipal core values:

Modimolle-Mookgophong Local Municipality is committed to the following core values:

Professionalism: All Municipal Officials are anticipated to have expressive knowledge in their field of service delivery and should be able to articulate such to stakeholders and customers
Integrity: Entails the consistent application of work ethics at all situations in an honest and transparent manner
Diversity: It means understanding that each individual is unique and recognizing our individual differences. These can be along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious belief, political beliefs or other ideologies.
Accessibility: Conduct council's business in a fair, responsible, flexible, equitable and honest manner.
Accountability: Report regularly to all stakeholders regarding council's actual performance
Redress: All complaints directed at Council must spark positive actions from respective Officials

Municipal Budgeting

Financial plans have separate budgets for operations and capital investments. This ensures that municipalities do not finance their operational expenses by obtaining loans, but rather helps them to be financially viable.

Operating Budget

This part of the budget shows how much money is spent on running the administration and delivering the day-to-day services including the maintenance of existing assets and infrastructure. It shows where this money comes from (sources of revenue). This income may be from rates and taxes, service charges and inter –governmental transfers.

Capital Budget

This part of the budget shows how much money local government is planning to invest in infrastructure or other capital assets. Municipalities have to know how much will be spent on this item each year, and where the money for this spending will come from. This part of the budget is called the ***capital budget*** because it is used for new physical development, or infrastructure investment.

The MFMA requires municipalities to prepare balanced budgets. This means that they have to make reasonable estimates of income and match it to anticipated expenditure.

Part 2 - ANNUAL BUDGET

1. MAYORS' REPORT

The Mayors' report will be included in the final budget document.

2. COUNCIL RESOLUTIONS

1. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) proposed:

   1.1. The draft budget of the municipality for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:

      1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 15 on page 35;
      1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 16 on page 37;
      1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 17 on page 38; and
      1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 18 on page 42.

   1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

      1.2.1. Budgeted Financial Position as contained in Table19 on page 44;
      1.2.2. Budgeted Cash Flows as contained in Table 20 on page 46;
      1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 47;
      1.2.4. Asset management as contained in Table 22 on page 48; and
      1.2.5. Basic service delivery measurement as contained in Table 23 on page 53.

2. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of 75A of the Local
   Government: Municipal Systems Act (Act 32 of 2000) propose:

   2.1. The tariffs for electricity – as set out in Annexure A
   2.2. The tariffs for the supply of water – as set out in Annexure A
   2.3. The tariffs for the refuse removal – as set out in Annexure A
   2.4. The tariffs for the sanitation – as set out in Annexure A
   2.5. The tariffs for the property rates – as set out in Annexure A

3. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose to approve and adopts with effect from 1 July 2020 the tariffs for other services, as set out in Annexure A

4. The Council of Modimolle-Mookgophong Local Municipality propose to approves and adopts with effect from 1 July 2020 the following:

   4.1. Interest at the rate of 12,65% per annum on all accounts in arrears.
   4.2. Defaulters will be liable to legal proceedings for the recovery of arrear amounts.

5. The Council of Modimolle-Mookgophong Local Municipality propose to approve and adopts with effect from 1 July 2020 the following free basic services for Indigent consumers per 30-day period:

   5.1. 50 kwh of electricity
   5.2. 6kl water
   5.3. free refuse removal
   5.4. sewerage
   5.5. property rates.

   Indigent consumers will be liable to pay for municipal services where they exceed the free basic services provided for by Council.

6. The Council of Modimolle-Mookgophong Local Municipality approves and adopts the following budget related policies:
   6.1. Tariff Policy
   6.2. Rates Policy
   6.3. Indigent Management Policy
   6.4. Budget Management Policy
   6.5. Debt Provision and write off Policy
   6.6. Budget Principles Policy
   6.7. Virement Policy
   6.8. Inventory Policy
   6.9. Credit Control and Debt Collection Policy
   6.10. Banking and Investment Policy
   6.11. Immovable Asset Management Policy
   6.12. Supply Chain Policy
   6.13. External Loans Policy
   6.14. Movable Asset Management Policy
   6.15. Travel Allowances Policy

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The following table is a consolidated overview of the 2020/21 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/21 MTREF

Description Thousand	Original Budget 2019/20	Adjusted Budget 2019/20	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Operating Revenue	563,793	537,140	695,358	733,058	772,788
Total Operating Expenditure	704,658	594,221	747,632	790,275	835,702
Surplus/(Deficit) excl capital tra	*-140,865*	*-57,081*	*-52,274*	*-57,218*	*-62,913*
Transfers and subsidies- capital	*59,630*	*59,630*	*70,401*	*74,367*	*66,539*
Surplus/(Deficit) including capit	*-81,235*	*2,549*	*18,127*	*17,149*	*3,625*
Total Capital Expenditure	59,630	62,633	70,398	74,367	66,539

Total operating revenue has increased by 23 percent or R158 million for the 2020/21 financial year. Operating revenue will increase by R38 million and R40 million for the two outer years respectively.

Total operating expenditure for the 2020/21 financial year has been appropriated at R748 million and translates into a budgeted deficit of R52 million and a surplus of R18 million after capital transfers . When compared to the 2019/20 Adjustments Budget, operational expenditure has gone up by 21 percent in the 2020/21 budget.

The capital budget of R70 million for 2020/21 is 11 percent higher when compared to the 2019/20 Adjustment Budget. The capital programme increases to R74 million in the 2021/22 financial year. The capital budget for the financial year 2020/21 will be funded by National government grants (MIG and INEP).

1. Operating Revenue Framework

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	55,979	71,417	73,998	128,575	128,575	128,575	-	143,418	150,947	158,872
Service charges - electricity revenue	2	124,260	126,338	151,759	158,958	183,274	183,274	-	223,081	234,793	247,119
Service charges - water revenue	2	29,379	59,056	62,164	66,804	71,411	71,411	-	79,969	84,167	88,586
Service charges - sanitation revenue	2	25,024	14,834	15,674	17,016	18,576	18,576	-	32,197	33,887	35,666
Service charges - refuse revenue	2	15,008	17,497	18,232	19,802	21,523	21,523	-	21,646	22,783	23,979
Rental of facilities and equipment		247	252	425	432	432	432		891	938	987
Interest earned - external investments		2,696	695	2,377	1,100	1,100	1,100		600	632	665
Interest earned - outstanding debtors		24,608	34,932	35,876	47,476	47,476	47,476		48,998	51,552	54,221
Dividends received		-	-	-	-				-	-	-
Fines, penalties and forfeits		400	626	226	676	676	676		750	789	831
Licences and permits		2,292	1,213	6,473	2,015	2,313	2,313		4,239	4,461	4,695
Agency services			-	-	-				-	-	-
Transfers and subsidies		89,412	103,043	175,458	115,923	40,482	40,482		123,439	131,131	139,298
Other revenue	2	5,019	5,096	3,045	5,015	21,301	21,301	-	16,131	16,978	17,869
Gains									-		
Total Revenue (excluding capital transfers and contributions)		374,324	434,999	545,705	563,793	537,140	537,140	-	695,358	733,058	772,788

Table 3 Percentage growth in revenue by main revenue source

Descrpition	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework					
Revenue by source	Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/20	%	Budget Year +2 2022/23	%
Property rates	128,575,376	24%	143,417,991	21%	150,947,435	21%	158,872,175	21%
Property rates - penalties & collection charges				0%				
Service charges - electricity revenue	183,273,722	34%	223,080,964	32%	234,792,715	32%	247,119,333	32%
Service charges - water revenue	71,410,921	13%	79,968,658	12%	84,167,012	11%	88,585,781	11%
Service charges - sanitation revenue	18,575,564	3%	32,197,050	5%	33,887,395	5%	35,666,483	5%
Service charges - refuse revenue	21,523,243	4%	21,646,260	3%	22,782,689	3%	23,978,780	3%
Service charges - other								
Rental of facilities and equipment	432,276	0%	890,738	0%	937,502	0%	986,721	0%
Interest earned - external investments	1,099,946	0%	600,000	0%	631,500	0%	664,654	0%
Interest earned - outstanding debtors	47,475,948	9%	48,997,871	7%	51,552,388	7%	54,221,231	7%
Dividends received								
Fines	676,169	0%	750,000	0%	789,375	0%	830,817	0%
Licences and permits	2,313,378	0%	4,238,571	1%	4,461,096	1%	4,695,304	1%
Agency services								
Transfers recognised - operating	40,482,000	8%	123,438,850	18%	131,130,930	18%	139,298,250	18%
Other revenue	21,301,256	4%	16,130,711	2%	16,977,553	2%	17,868,893	2%
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)	537,139,798	100%	695,357,667	100%	733,057,590	100%	772,788,421	100%
Total revenue from rates and services charges	423,358,826	79%	500,310,923	72%	526,577,247	72%	554,222,552	72%

In line with the format prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 72 percent of the total revenue mix. In the 2020/21 financial year, revenue from rates and services charges totaled R500 million or 72 percent. This increases to R526 million and R554 million in the respective financial years of the MTREF.

The Property Rates increased from R128 million in the 2019/20 Adjusted budget to R143 million in the 2020/21 financial year.

The Water Service charges increased from R71 million to R79 million in the 2020/21 financial year. The increase is mainly due to the increase in tariffs, influenced by an unavoidable tariff increase from Magalies water.

Operating grants and transfers totals R123 million in the 2020/21 financial year and steadily increases to R131 million by 2021/22. This is due to increase of 6% in the Equitable Share allocation in the original allocation in the 2019/20.

Grants	Amount
Equitable Share	117,790,000.00
EPWP	1,233,000.00
FMG	2,500,000.00
MIG Operation	1,915,850.00
Total	**123,438,850.00**

The following table gives a breakdown of the various operating and capital grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

LIM368 Modimolle-Mookgopong - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		89,355	89,675	107,090	115,923	46,410	46,410	123,439	131,131	139,298
Local Government Equitable Share		77,122	77,695	100,804	109,995	40,482	40,482	117,790	126,359	134,312
Finance Management		2,898	4,045	4,145	3,000	3,000	3,000	2,500	2,700	2,800
EPWP Incentive										
Expanded Public Works Programme		2,302	1,160	1,021	1,000	1,000	1,000	1,233	–	–
Municipal Demarcation Transfer		5,556	4,566	–						
Municipal Infrastructure Grant (MIG) 5%		1,477	2,210	1,120	1,928	1,928	1,928	1,916	2,072	2,186
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		57	–	–	–	–	–	–	–	–
Skills Education and Training		57								
Total Operating Transfers and Grants	5	89,412	89,675	107,090	115,923	46,410	46,410	123,439	131,131	139,298
Capital Transfers and Grants										
National Government:		87,190	129,981	62,826	59,630	59,630	59,630	70,401	74,367	66,539
Municipal Infrastructure Grant (MIG)		47,561	41,981	27,826	36,630	36,630	36,630	36,401	39,367	41,539
Water Services Infrastructural Grant (WSIG)		34,057	80,000	25,000						
Integrated National Electrification Programme (INEC		5,572	8,000	10,000	23,000	23,000	23,000	34,000	35,000	25,000
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Skills Education and T										
Total Capital Transfers and Grants	5	87,190	129,981	62,826	59,630	59,630	59,630	70,401	74,367	66,539
TOTAL RECEIPTS OF TRANSFERS & GRANTS		176,602	219,656	169,916	175,553	106,040	106,040	193,840	205,498	205,837

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 percent upper boundary of the South

African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

Tariffs are above the CPI of 5.25 per cent. This is due to the fact that;

- ✓ The tariffs are not cost effective.
- ✓ Fuel price is frequently increasing in South Africa.
- ✓ The trading deficits for municipal services are high.
- ✓ The employee costs increase by 6.25% as per Salary and Wage agreement.
- ✓ The municipality will acquire more resources to enhance service delivery such as fleet
- ✓ The municipality will acquire more resources for revenue enhancement

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.1 Property Rates

Property Rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The tariffs for sanitation have increased been by 5.25 percent. National Treasury advices municipalities to increase tariffs in line with CPI plus inflation rate of 5.25 percent. We have increase the tafiffs with the same margin.

The implementation of Property Rates is regulated in terms of the Municipal Property Rates Act, and the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly.

PROPERTY RATES		Modimolle-Mookgophong 2019/20	Modimolle-Mookgophong 2020/21
(1)	Assessment rates :		
(a)	Residential properties	0.01193	0.01255
(b)	Industrial properties	0.01142	0.01201
(c)	Business and Commercial properties	0.02303	0.02424
(d)	Agricultural properties	0.00211	0.00222
(e)	Mining properties	0.02303	0.02424
(f)	Properties owned by an organ of state and used for public service purpose	0.02303	0.02424
(g)	Public service infrastructure properties	0.00224	0.00236
(h)	Properties owned by public benefit organisations and used for specified public benefit activities;	0.01142	0.01201
(i)	Properties used for multiple purposes	Per use	Per use
(j)	Game Farming	0.00211	0.00222
(k)	Vacant Land	0.01463	0.01540
(l)	Religious use	0.01142	0.01201
(2)	Exemptions (in terms of section 15 of the MPRA and the Property Rates Policy), other than in terms of Impermissible Rates (section 17 of the MPRA) :		
(a)	Municipal Property	100%	100%
(b)	Residential 1 Properties, additional amount to the value of the property, not being taxed	R 10,000.00	R 15,000.00
(c)	Public Service Infrastructure	100%	100%
(d)	Rights registered against properties	100%	100%
(e)	Public Benefit Organizations (on application)	100%	100%
(3)	**Reductions (in terms section 15 of the MPRA and the Property Rates Policy) :**		
(a)	Destruction of property as a cause of disaster (on application)	80%	80%
(4)	**Rebates (in terms section 15 of the MPRA and the Property Rates Policy) :**		
(a)	Privately Owned Town (serviced by the owner)	20%	20%
(b)	Agricultural Properties	30%	30%
(c)	Developed Properties (not transferred by a developer yet)	10%	10%
(d)	Registered Indigents : The owner must be the registered owner and occupant of the applicable property, whose monthly aggregated monthly income is proved to the satisfaction of the Municipal Manager, not to exceed **R3 500.00**	100%	100%
(e)	Retired owners & medical unfit applicants : Property owners over 60 years of age, permanent occupants and the sole owner of the property concerned, whose monthly aggregated income is proved to the satisfaction of the Municipal Manager, to be :		
	equal or less than R 3 500.00	100%	100%
	between R3 501.00 and R5 500.00	50%	50%
	between R5 501.00 and R 8 000.00	20%	20%

1.2 Sale of water and impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it do with electricity, since demand growth outstrips supply. Consequently, it is necessary to review the level and structure of the water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;

- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the registered indigent consumers; and

- Water tariffs are designed to encourage efficient and sustainable consumption and discourage unnecessary usage of water.

A summary of the tariffs for all consumers are attached under **Table 5.** The tariff structure of the 2020/21 financial year had been consolidated into a combination of the two former municipalities water tariff structures. This structure will allow a consumer to control it's own water account to limit the amount billed onto the water account. The tariff structure is designed to charge higher levels of consumption at a higher rate.

The table below provides a summary total operating revenue and expenditure in respect of water.

Description	Budget 2020/21	Budget 2021/22
Total water operating revenue	80,282,033.78	84,496,840.55
Total water operating expenses	66,246,546.35	69,724,490.03
Surplus	**14,035,487.43**	**14,772,350.52**

The service is regarded as a trading service and is supposed to run on a surplus. There is an increase in the surplus on water sales compared to the 2019/20 financial year which illustrate that the dependency on water tariffs to balance the budget has increased. The bulk increase of water from Magalies Water is estimated to be 10 percent and the municipality will levy consumers by similar margin and extra 2% to recover direct costs such as labour, chemicals and storage.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

TABLE 5: WATER SUPPLY	Modimolle-Mookgophong 2019/20	Modimolle-Mookgophong 2020/21
1. BASIC CHARGE:		
(1) Where an erf, stand, lot or other area excluding municipal property is, or in the opinion of Council, can be connected to the main supply, a basic charge per month or part thereof shall be payable by the owner or occupant, as well as where any erf; stand, lot or other area zoned as residential 1 or 2 in terms of the Modimolle-Mookgophong Town Planning Scheme is occupied by more than one (1) consumer to whom water is supplied by the Council, the said basic charge shall be payable in respect of every such consumer or occupant or owner :		
(a) Undeveloped property	102.82	115.16
(b) Bulk, Trade, Industry and other non-domestic consumers	-	-
- Measuring up to 500m²	-	-
- Measuring up to 1000m²	-	-
- Measuring up to 2000m²	-	-
- Measuring above 2000m²	-	-
(c) Residential consumers	73.92	82.79
(c) Trade; Bulk, Industry and non-domestic	103.49	115.91
	-	-
(2) (a) Schools. Tennis and Bowling clubs and public benefits organization will be levied On		
Municipal	14.65	16.41
Basic charges	99.00	110.88

2. CHARGES FOR WATER SUPPLY, PER MONTH:

(1) Purified water to all domestic consumers :		
(a) 0 - 6 kl to all indigent households :	Free	Free
(b) Per connection per kl :		
0 - 10 kl	14.33	16.05
11 - 20 kl	-	-
11 - 20 kl	16.53	18.52
21 - 30 kl	22.08	24.73
31 and above	28.94	32.41
	-	-
(2) Purified water to all Bulk, Trade, Industry and other non-domestic consumers :	-	-
0 - 30 kl	31.70	35.50
31 kl and above	36.39	40.76
Modimolle / Phagameng	-	-
Privately owned towns	26.40	29.57
	-	-
(3) Water delivered by truck outside urban areas :	-	-
(a) Per kiloliter	111.22	124.57
(b) Per kilometer, travelled from collection to delivery point	60.84	68.14
(4) Flat rate for unbilled consumers(Without meters)	R100	R100

1.3 Sale of Electricity and Impact of Tariff Increases

The bulk increase of electricity from Eskom is estimated to be 12 percent and the municipality will levy consumers by similar margin and extra 1% to recover direct costs such as labour and fleet.

The attached **Table 6** indicates the impact of the proposed increases in electricity tariffs on the electricity charges for all categories of consumers.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the reticulation network was designed or strengthened in the early 1970's with an expected 20-25 year life-expectancy. The upgrading of the electricity network has therefore become a strategic priority, especially the substations and transmission lines. The aim of the high tariff increase is to make provision for higher maintenance cost to address back locks in the delivering of sustainable electricity services to the consumers.

Funding most needed upgrades and important maintenance can only be achieved through higher revenue sources, resulting from higher tariff increases.

The table below provides a summary total operating revenue and expenditure in respect of electricity.

Description	Budget 2020/21	Budget 2021/22
Total electricity operating revenue	224,901,895.59	236,691,373.11
Total electricity operating expenditure	306,792,896.89	323,899,523.98
Surplus/(Deficit)	**(81,891,001.30)**	**(87,208,150.87)**

The service is regarded as a trading service and is supposed to run on a surplus. Currently the service is running at a loss. The deficit has increased by R5 million in the 2021/22 financial year.

Registered indigents will continue to receive 50 kWh per 30-day period free of charge.

Table 6 Comparison between current sanitation charges and increases

TABLE 6: ELECTRICITY SUPPLY	Modimolle-Mookgophong 2019/20	Modimolle-Mookgophong 2020/21
1. BASIC CHARGES		
Note : 1 A basic charge per month or part thereof, shall be payable in respect of any erf, stand,		
2. DOMESTIC CHARGES:		
(1) The tariff shall be applicable to the following consumers:		
(a) Private dwellings		
(b) Flats		
(c) Provincial aided institutions and hospitals as defined in the Hospital Ordinance of 1958		
(d) Institutions conducted by charitable organizations		
(e) Churches and church halls used exclusively for public worship		
(f) Pumping installations where the water is pumped exclusively used for domestic.		
(g) A building or separate part of a building exclusively used for residential purposes		
(2) Tariffs :	c/kWh	c/kWh
(a) Basic charges and connectable vacant stands[1]:	145.77	164.72
(b) Indigent Consumers Units 0 to 50 kWh:	Free	Free
(c) Unit charges per kWh consumed:		
0 - 50 kWh	1.03	1.17
51 - 350 kWh	1.33	1.50
351 - 600 kWh	1.87	2.11
601 kWh and above	2.20	2.48
(3) The tariff shall be applicable to the following consumers:		
(a) Household Consumers Pre Paid meter installations		
Tariffs :	c/kWh	c/kWh
(a) Basic charges and connectable vacant stands[1]:	-	-
(b) Indigent Consumers Units 0 to 50 kWh:	Free	Free
(c) Unit charges per kWh consumed:		
0 - 50 kWh	1.03	1.17
51 - 350 kWh	1.33	1.50
351 - 600 kWh	1.86	2.10
601 kWh and above	2.19	2.47

3. COMMERCIAL CHARGES :

(1)	This tariff shall be applicable to the following consumers:			
	(a)	Commercial shops		
	(b)	Enlightened street advertising signs		
	(c)	Offices and office buildings		
	(d)	Boarding / Guest Houses		
	(e)	Educational institutions and school hostels		
	(f)	Hotels and Bars		
	(g)	Cafes, tearooms and restaurants		
	(h)	Public Halls		
	(i)	Heavy Industrial undertakings		
	(j)	Service lights for flat buildings		
	(j)	Buildings or part of buildings containing a number of the classification under (1) and (10) inclusive and where the consumption in terms of this tariff metered separately by Council.		
	(k)	Sport Clubs		
	(l)	Show Grounds		
	(m)	Agricultural Holdings and Farms		
	(m)	Temporary Consumers		
	(n)	All other consumers, excluding consumers being classified under other items provided		
(2)	Tariff:			
	(a)	Basic Charges (not applicable to Pre-paid consumers):	452.28	511.08
	(b)	Unit tariff KWH consumed:	2.02	2.28
	(c)	Prepaid	2.06	2.33
	(d)	Energy charge	1.94	2.19
(3)	Tariff:			
	(a)	Agricultural Basic (excluding prepaid consumers on (1) above.	800.00	800.00
	(b)	Unit tariff KWH consumed	1.00	1.13
(4)	(a)	Schools, Tennis and Bowling clubs to be levied on Municipal tariffs for electricity		
		Municipal charge	1.54	1.74
(5)	(a)	Conventional 60 Aperes (Modimolle)		
		Basic charge	463.23	523.44
		Energy charge	1.86	2.10
			-	-
	(b)	Conventional 60 Amperes (Mookgophong)	-	-
		Basic charge	252.39	285.21
		Energy charge	1.86	2.10

4. LIGHT MANUFACTURING INDUSTRIES:

(1)	This tariff shall be applicable to the following consumers:		
	(a) Any consumer classified under Item (2) or (3) whose demand is above the following: Single phase (80 Amp and higher) Three phase (40/kvC/ 60 Amp and higher)		
	(b) Any consumer manufacturing products for resale; employ 10 (ten) or more labourers and		
(2)	Tariff: (Modimolle area)		
	(a) Basic charge per month:	1,262.96	1,427.14
	(b) Maximum demand per kVa:	275.83	311.69
	(c) Energy consumption/charge :	0.60	0.68
		-	-
(3)	Tariff (Mookgophong area)	-	-
	(a) Basic charge per month:	1,262.96	1,427.14
	(b) Maximum demand per kVa:	275.83	311.69
	(c) Energy consumption/charge :	0.60	0.68

5. BULK SUPPLY:

(1)	This tariff shall be applicable to the following consumers:		
	(a) Any consumer classified under Item (2) or (3) whose demand is above the following: Single phase (80 Amp and higher) Three phase (40/kvC/ 60 Amp and higher)		
	(b) Any consumer supplied by means of medium or high voltage, 1Kv to 11 Kv, Council shall take the medium or high voltage supply to the consumers substation or boundary only and such consumer shall supply his own transformer/mini sub station and switch gear for the connection. All medium or high voltage gear shall be metered at the low voltage side of the transformer/mini sub station.		
(2)	Tariffs :		
	(a) Basic charge per month:	972.39	1,098.80
	(b) Unit tariff per kWh:	0.85	0.96
	(c) Maximum demand per kVa:	267.85	302.67

1.4 Sanitation and Impact of Tariff Increases

The tariffs for sanitation have increased been by 7.25 percent. National Treasury advices municipalities to increase tariffs in line with CPI plus inflation rate of 5.25 percent. We have increase the tafiffs with the same margin and added extra 2.25 percent to recover direct costs such as labour and repairs and maintenance of infrastructure.

Table 7 as attached compares the current tariffs and the tariffs for 2020/21.

The table below provides a summary total operating revenue and expenditure in respect of sanitation

Description	Budget 2020/21	Budget 2021/22
Total sanitation operating revenue	32,197,049.78	33,887,394.89
Total sanitation operating expenses	26,132,199.10	27,504,139.55
Surplus	**6,064,850.68**	**6,383,255.34**

The service is regarded as a trading service and is supposed to run on a surplus. Currently the service is being rendered at a surplus.

The following table compares the current and proposed tariffs:

Table 7 Comparison between current sanitation charges and increases

TABLE 7: SEWERAGE	Modimolle-Mookgophong 2019/20	Modimolle-Mookgophong 2020/21
1. BASIC CHARGES		
(1) A basic charge per month or part thereof shall be payable in respect of each erf, land, lot or other area within the municipality which have not been connected to Council's sewerage system but which can in the opinion of the Council be connected thereto:	303.50	326.26
(2) A basic charge per month or part thereof shall be payable in respect of each erf, land, lot or other area within the municipality which have been connected to Council's sewerage system :		
(a) Measuring up to 500m² in extent	49.47	53.18
(b) Measuring up to 1000m² in extent	65.96	70.91
(c) Measuring up to 2000m² in extent	82.97	89.20
(d) Plus: For every additional 1000m² or part thereof	34.86	37.48
	-	-
(e) Measuring up to 600m² in extent	-	-
(f) Measuring up to 1,983m² in extent	-	-
(g) Measuring up to 2,975m² in extent	-	-
(h) Measuring up to 3,966m² in extent	-	-
(i) Measuring up to 4,957m² in extent	-	-
(j) Measuring up to 9,914m² in extent	-	-
(k) Measuring more than 9,914m² (for every 992m²)	-	-
(l) Per toilet (minimum with no water consumption)	-	-
(m) Per kl of water consumption (40%)	-	-

2. CHARGES PAYABLE BY ALL PREMISES CONNECTED TO THE SEWER SYSTEMS:

(1)	Private Dwellings	109.72	117.95
(2)	Trade, Industry and other non-domestic consumers :	133.22	143.21
(3)	Schools under the control of the Department of Education as well as prescribed in Section 29 of the Constitution of the Republic of South Africa, 1996 (per erf) :	1,269.24	1,364.43
(4)	Rendering of domestic sewer services to all registered indigents:	FREE	FREE
(5)	Temporary services to builders and other, per month or part thereof on each site:	1,071.08	1,151.41

1.5 Waste Removal and Impact of Tariff Increases

The tariffs for sanitation have increased been by 7.25 percent. National Treasury advices municipalities to increase tariffs in line with CPI plus inflation rate of 5.25 percent. We have increase the tafiffs with the same margin and added extra 2.25 percent to recover direct costs such as labour and repairs and maintenance of infrastructure.

Table 8 as attached compares the current tariffs and the tariffs for 2020/21..

The table below provides a summary total operating revenue and expenditure in respect of refuse.

Description	Budget 2020/21	Budget 2021/22
Total Waste management operating revenue	21,646,260	22,800,541
Total Waste management operating expenditure	35,828,107	40,101,757
Surplus/(Deficit)	**(14,181,847)**	**(17,301,216)**

Table 8 Comparison between current waste removal fees and increases

TABLE 8: REFUSE REMOVAL	Modimolle-Mookgophong 2019/20	Modimolle-Mookgophong 2020/21
(1) **Domestic**		
(a) Removal of domestic refuse Residential 1, Standard Residence, once per week per	117.64	126.46
(b) Removal of domestic refuse Residential 2 Domestic stand with more tan one	940.17	1,010.68
(c) Removal of domestic refuse Residential 3 Flats, once per week per dwelling or part	2,352.63	2,529.08
(d) Removal of domestic refuse once per week per dwelling for all registered indigents:	Free	Free
(2) **Commercial and Other**		
(a) Removal of refuse from business, public hospitals / clinics, schools, hostels and any	352.31	378.73
(b) Game / Guest Farms Lodges and Resorts, dumping at the dumping site, per truck :	368.41	396.04
(c) Game / Guest Farms Lodges and Resorts, refuse removal by the municipality :	-	-
- quantity of refuse, per truck:	368.41	396.04
- transport from the collection point to the dumping site, per km :	55.54	59.70

2. SPECIAL REMOVALS

(1)	Garden refuse per load of 3,5m³ or portion thereof:	855.72	919.90
(2)	For selling of plastic bags for the removal of garden refuse per bag	11.17	12.01
(3)	Compact refuse and building rubble per load of 3,5m³ or portion	1,648.05	1,771.65
		-	-
(4)	Supply of refuse containers :	-	-
	(a) One removal	808.50	869.14
	(b) Seven(7) days or part thereof:	1,692.08	1,818.98
		-	-
(5)	Removal of carcases :	-	-
	(a) Horses, cattle, donkeys and mules, per carcase :	1,077.57	1,158.39
	(b) Foals, calves, sheep, goats and pigs per carcase :	1,077.57	1,158.39
	(c) Dogs and cats per carcase :	570.48	613.26
		-	-
(6)	Refuse disposal at municipal landfill sites :	-	-
	(a) Waste weighing less than 1 000 kg	75.08	80.71
	(b) Waste weighing more than 1 001 kg to 1 500 kg	155.93	167.62
	(c) Waste weighing more than 1 501 kg to 2 000 kg	231.00	248.33
	(e) Waste weighing more than 2 001 kg to 5 000 kg	363.83	391.11
	(f) Waste weighing more than 5 001 kg to 10 000 kg	600.60	645.65
	(g) Waste weighing more than 10 001 kg and more	877.80	943.64
(6)	Rejection of Food items :		
	(a) The owner shall be liable for the removal and destruction :	Cost + 20%	Cost + 20%
		-	-
(7)	Illegal dumping (Penalty)	2,205.00	2,315.25

2. Operating expenditure framework

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure)

Table 7 Summary of operating expenditure by standard classification item

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	159,053	186,126	202,775	202,983	173,870	173,870	-	248,211	264,345	281,527
Remuneration of councillors		11,980	9,985	12,154	10,632	10,766	10,766		13,931	14,837	15,801
Debt impairment	3	37,150	144,400	63,538	25,375	25,375	25,375		28,595	30,096	31,676
Depreciation & asset impairment	2	51,401	70,453	64,554	74,680	59,074	59,074	-	54,655	57,525	60,545
Finance charges		5,373	4,879	2,700	6,500	50,433	50,433		61,558	64,789	68,191
Bulk purchases	2	142,637	212,292	185,700	216,726	164,453	164,453	-	216,425	227,788	239,747
Other materials	8	20,681	7,700	592	25,442	7,058	7,058		7,411	7,800	8,209
Contracted services		15,881	85,184	55,922	83,970	69,774	69,774	-	64,464	67,848	71,410
Transfers and subsidies		-	-	-	1,030	500	500	-	840	1,000	1,500
Other expenditure	4, 5	35,167	40,104	138,464	57,322	32,919	32,919	-	51,542	54,248	57,096
Losses				9,345							
Total Expenditure		479,322	761,122	735,744	704,658	594,221	594,221	-	747,632	790,275	835,702

Circular 71 sets the norm for remuneration cost to the total of operating expenditure to be between 24% and 40% with remuneration classified as Employee Related Cost and Councillors Remuneration. The municipality is currently at 35%.

The budgeted allocation for employee related costs for the 2020/21 financial year totals R248 million, which equals 33 percent of the total operating expenditure. The total employee costs includes R20 million relating to placement and new grading.The overtime budget equals 4 percent of employee related costs. This is because of aging infrastructure and the expanding of services placing more pressure on our networks. The three year collective SALGBC agreement lapses on the 30th June 2021. A percentage increase of 6.25% was applied for employees related cost as contained in the Salary and Wages Collective agreement 2018-2021 financial year.

Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R54 million for the 2020/21 financial and equates to 7 percent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Finance charges consist primarily of the repayment of interest on late payments and finance cost related to provisions. Finance charges make up 8 percent (R61 million) of operating expenditure.

The budgeted allocation for Bulk purchases for the 2020/21 financial year totals R216 million, which equals 29 percent of the total operating budget. Bulk purchases are directly informed by the purchase of electricity from Eskom, payment of outstanding debt and water from Magalies Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repair and Maintenance consist of other material and employee related cost to the amount of R33 million and equals 4 percent of the operating budget. Contracted services is R64 million. Repair and Maintenance equals 3 percent of the Property, Plant and Equipment, this is not within the target of 8% set by National Treasury.The 3 percent is below the target due to the fact that the municipality is facing financial problems.

3. Cash flow

Description	2018/19	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,093,749	-	61,353	(47,268)	(51,021)	(68,917)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(444,498)	-	(62,633)	(72,317)	(76,439)	(68,725)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	649,251	-	(1,280)	(119,585)	(127,460)	(137,642)
Cash/cash equivalents at the year begin:			29,664	22,789	(96,795)	(224,256)
Cash/cash equivalents at the year end:	649,251	-	28,384	(96,795)	(224,256)	(361,898)

The cash flow budget was calculated using the following assumptions:

The cashflow budget was calculated using an individual collection rate per service charges on outstanding debtors and for all other revenue sources. These rates are based on the strategies which the municipality will put in place in the 2020/21 financial year;

- Rates collection rate - 75%.
- Electricity collection rate - 88%
- Water collection rate – 70%
- Sanitation collection rate– 70%
- Waste management rate –75%

Based on the above mentioned assumptions the projected net cash from operating activities amounts to R47 million, net cash used from investing activities of a negative R72 million, nothing was allocated to net cash used from financing activities. The net

effect at the end of the period is a negative R96 million for the 2020/21 financial year that will increase to a negative R224 million in the 2021/22 financial year.

4. Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 8 2020/21 Medium-term capital budget per vote

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Public Office Bearers		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Reporting		-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Economic Devepoment		-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		82,040	44,989	14,266	9,764	12,767	12,767	-	16,250	39,367	41,539
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		3,954	4,275	-	26,866	26,866	26,866	-	16,298	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	85,994	49,264	14,266	36,630	39,633	39,633	-	32,548	39,367	41,539
Single-year expenditure *to be appropriated*	2										
Vote 1 - Public Office Bearers		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Reporting		-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Economic Devepoment		-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		1,195	-	1,178	23,000	23,000	23,000	-	37,850	35,000	25,000
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	3,797	14,639	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1,195	3,797	15,817	23,000	23,000	23,000	-	37,850	35,000	25,000
Total Capital Expenditure - Vote		87,190	53,061	30,083	59,630	62,633	62,633	-	70,398	74,367	66,539

For 2020/21 an amount of R70 398 million has been appropriated for the development of infrastructure which represents 100 percent of the total capital budget. This amount excludes R1.9 million from MIG allocated for PMU operations.

4. ANNUAL BUDGET TABLES

The information in the following Tables A1 to A10 constitutes the Municipalities draft budget for the 2020/21 financial year and indicative allocations for the 2021/22 and 2022/23 financial years in terms of section 8 of the Municipal Budget and Reporting Regulations.

The Municipality does not have any entities through which it provides municipal services. Instead, services are provided internally through departments. The key departments are Technical and Social Services. In instances where internal capability is limited, services are provided through external services providers. In such instances, Service Level Agreements are entered into with the service providers. Therefore, the budget tables that follow relate to the budget of the municipality only.

Table 9 MBRR Table A1 - Budget Summary

LIM368 Modimolle-Mookgopong - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	55,979	71,417	73,998	128,575	128,575	128,575	–	143,418	150,947	158,872
Service charges	193,671	217,724	247,828	262,580	294,783	294,783	–	356,893	375,630	395,350
Investment revenue	2,696	695	2,377	1,100	1,100	1,100	–	600	632	665
Transfers recognised - operational	89,412	103,043	175,458	115,923	40,482	40,482	–	123,439	131,131	139,298
Other own revenue	32,566	42,120	46,045	55,615	72,199	72,199	–	71,008	74,718	78,603
Total Revenue (excluding capital transfers and contributions)	374,324	434,999	545,705	563,793	537,140	537,140	–	695,358	733,058	772,788
Employee costs	159,053	186,126	202,775	202,983	173,870	173,870	–	248,211	264,345	281,527
Remuneration of councillors	11,980	9,985	12,154	10,632	10,766	10,766	–	13,931	14,837	15,801
Depreciation & asset impairment	51,401	70,453	64,554	74,680	59,074	59,074	–	54,655	57,525	60,545
Finance charges	5,373	4,879	2,700	6,500	50,433	50,433	–	61,558	64,789	68,191
Materials and bulk purchases	163,318	219,992	186,293	242,168	171,510	171,510	–	223,836	235,587	247,956
Transfers and grants	–	–	–	1,030	500	500	–	840	1,000	1,500
Other expenditure	88,198	269,687	267,268	166,667	128,068	128,068	–	144,601	152,192	160,183
Total Expenditure	479,322	761,122	735,744	704,658	594,221	594,221	–	747,632	790,275	835,702
Surplus/(Deficit)	(104,998)	(326,122)	(190,038)	(140,865)	(57,081)	(57,081)	–	(52,274)	(57,218)	(62,913)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	84,289	51,647	58,043	59,630	59,630	59,630	–	70,401	74,367	66,539
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(20,709)	(274,475)	(131,995)	(81,235)	2,549	2,549	–	18,127	17,149	3,625
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(20,709)	(274,475)	(131,995)	(81,235)	2,549	2,549	–	18,127	17,149	3,625
Capital expenditure & funds sources										
Capital expenditure	87,190	53,061	30,083	59,630	62,633	62,633	–	70,398	74,367	66,539
Transfers recognised - capital	87,190	53,061	29,748	59,630	62,633	62,633	–	70,398	74,367	66,539
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	335	–	–	–	–	–	–	–
Total sources of capital funds	87,190	53,061	30,083	59,630	62,633	62,633	–	70,398	74,367	66,539
Financial position										
Total current assets	253,277	209,240	757,121	474,557	610,515	610,515	–	830,357	873,903	919,736
Total non current assets	1,365,368	1,374,406	1,255,175	1,359,356	1,258,144	1,258,144	–	1,325,482	1,395,070	1,468,311
Total current liabilities	391,813	644,987	1,000,081	1,012,893	591,363	591,363	–	655,927	651,363	685,607
Total non current liabilities	109,188	113,356	139,890	113,356	115,870	115,870	–	139,890	147,234	154,964
Community wealth/Equity	1,117,664	825,303	872,325	707,665	1,161,425	1,161,425	–	1,360,022	1,470,376	1,547,475
Cash flows										
Net cash from (used) operating	(83,583)	(35,371)	34,305	(243,513)	61,353	61,353	–	(47,268)	(51,021)	(68,917)
Net cash from (used) investing	(96,023)	(87,872)	(10,628)	(59,630)	(62,633)	(62,633)	–	(72,317)	(76,439)	(68,725)
Net cash from (used) financing	(2,410)	(2,412)	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	(143,493)	(87,132)	29,664	(273,479)	28,384	28,384	–	(96,795)	(224,256)	(361,898)
Cash backing/surplus reconciliation										
Cash and investments available	(125,386)	(85,728)	168,586	(493,747)	(141,468)	(141,468)	–	30,698	32,262	33,908
Application of cash and investments	63,443	443,467	451,699	189,662	(71,801)	(71,801)	–	28,767	31,278	32,932
Balance - surplus (shortfall)	(188,829)	(529,196)	(283,113)	(683,409)	(69,667)	(69,667)	–	1,931	983	976
Asset management										
Asset register summary (WDV)	1,324,772	1,351,995	1,232,631	1,336,945	1,336,945	1,336,945	1,336,945	1,405,974	1,478,626	1,555,093
Depreciation	51,401	70,453	64,554	74,680	59,074	59,074	59,074	54,655	57,525	60,545
Renewal and Upgrading of Existing Assets	46,925	16,880	5,510	–	–	–	–	–	–	–
Repairs and Maintenance	20,681	100,067	80,331	89,531	74,904	74,904	74,904	33,452	35,208	37,057
Free services										
Cost of Free Basic Services provided	–	–	7,524	87,389	87,389	87,389	28,498	28,498	29,994	31,569
Revenue cost of free services provided	–	12,440	–	234,284	–	–	238,109	238,109	250,609	263,766
Households below minimum service level										
Water:	–	–	1	1	1	1	–	–	–	–
Sanitation/sewerage:	–	–	1	1	1	1	–	–	–	–
Energy:	–	–	1	1	1	1	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

    a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF.
    b. Capital expenditure is balanced by capital funding sources, of which

        i. Transfers recognised is reflected on the Financial Performance Budget;

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

LIM368 Modimolle-Mookgopong - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		87,720	115,474	348,300	181,360	199,239	199,239	207,819	218,730	230,213
Executive and council		–	41	–	–	–	–	–	–	–
Finance and administration		87,720	115,433	348,300	181,360	199,239	199,239	207,819	218,730	230,213
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		4,523	709	7,477	4,490	4,073	4,073	6,870	7,230	7,591
Community and social services		431	696	783	786	1,381	1,381	1,847	1,944	2,046
Sport and recreation		1	13	–	29	28	28	65	68	72
Public safety		4,090	–	6,694	3,676	2,664	2,664	4,958	5,218	5,473
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		171,269	152,508	143	148,782	98,074	98,074	192,043	203,606	203,846
Planning and development		171,269	151,294	143	148,782	97,340	97,340	191,581	203,120	203,334
Road transport		0	1,214	–	–	735	735	462	486	512
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		195,102	217,956	247,828	288,792	295,383	295,383	359,027	377,858	397,677
Energy sources		125,614	126,679	151,759	176,205	183,874	183,874	224,902	236,709	249,136
Water management		29,451	58,974	62,164	73,663	71,411	71,411	80,282	84,497	88,933
Waste water management		25,024	14,810	15,674	18,644	18,576	18,576	32,197	33,887	35,666
Waste management		15,012	17,493	18,232	20,279	21,523	21,523	21,646	22,765	23,941
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	458,613	486,646	603,749	623,423	596,770	596,770	765,759	807,425	839,327
Expenditure - Functional										
Governance and administration		140,116	284,254	538,678	222,083	170,319	170,319	197,213	207,567	218,464
Executive and council		19,978	29,707	12,161	36,524	30,086	30,086	32,840	34,564	36,379
Finance and administration		117,059	250,936	526,516	182,271	136,670	136,670	159,516	167,891	176,705
Internal audit		3,078	3,612	–	3,287	3,562	3,562	4,857	5,111	5,380
Community and public safety		35,999	34,071	358	43,436	38,566	38,566	55,708	58,633	61,711
Community and social services		13,179	10,395	358	8,917	8,157	8,157	11,675	12,288	12,933
Sport and recreation		9,419	14,528	–	17,252	14,978	14,978	20,228	21,290	22,408
Public safety		13,401	9,148	–	17,267	15,432	15,432	23,805	25,055	26,370
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		58,156	73,220	–	66,053	53,033	53,033	59,711	62,845	66,145
Planning and development		23,990	22,439	–	19,860	15,069	15,069	22,274	23,443	24,674
Road transport		34,166	50,781	–	46,192	37,964	37,964	37,437	39,403	41,471
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		245,051	369,576	196,708	373,086	332,303	332,303	435,000	461,230	489,382
Energy sources		166,734	238,243	181,881	242,379	221,869	221,869	306,793	323,900	341,352
Water management		39,197	55,886	14,687	72,200	60,726	60,726	66,247	69,724	73,385
Waste water management		12,871	47,670	140	26,693	22,258	22,258	26,132	27,504	28,948
Waste management		26,248	27,776	–	31,814	27,449	27,449	35,828	40,102	45,697
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	479,322	761,122	735,744	704,658	594,221	594,221	747,632	790,275	835,702
Surplus/(Deficit) for the year		(20,709)	(274,475)	(131,995)	(81,235)	2,549	2,549	18,127	17,149	3,625

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Waste water management function in the 2020/21 to 2022/23 financial year.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

LIM368 Modimolle-Mookgopong - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - Public Office Bearers		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	41	43	20	20	20	21	23	24
Vote 3 - Budget and Treasury		87,350	114,440	186,497	178,855	197,710	197,710	207,700	218,604	230,081
Vote 4 - Planning and Economic Development		85,502	97,819	160,884	111,511	35,782	35,782	121,180	128,753	136,796
Vote 5 - Technical Services		265,856	253,938	229,762	307,070	335,855	335,855	408,244	429,911	440,711
Vote 6 - Corporate Services		370	993	1,043	1,064	1,509	1,509	98	103	108
Vote 7 - Community and Social Services		19,535	19,416	25,519	24,902	25,894	25,894	28,516	30,031	31,608
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	458,613	486,646	603,749	623,423	596,770	596,770	765,759	807,425	839,327
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Public Office Bearers		13,438	25,148	32,484	18,196	17,983	17,983	20,076	21,130	22,258
Vote 2 - Municipal Manager		15,441	14,400	39,324	29,224	21,838	21,838	26,243	27,621	29,071
Vote 3 - Budget and Treasury		67,698	192,847	127,533	96,716	69,973	69,973	87,736	92,342	97,190
Vote 4 - Planning and Economic Development		22,481	20,607	17,948	18,383	13,727	13,727	22,274	23,443	24,674
Vote 5 - Technical Services		254,478	388,601	377,291	388,942	341,998	341,998	436,609	460,531	485,156
Vote 6 - Corporate Services		43,538	57,671	77,842	77,948	60,525	60,525	63,159	66,474	69,964
Vote 7 - Community and Social Services		62,247	61,847	63,321	75,250	68,177	68,177	91,537	98,735	107,389
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	479,322	761,122	735,744	704,658	594,221	594,221	747,632	790,275	835,702
Surplus/(Deficit) for the year	2	(20,709)	(274,475)	(131,995)	(81,235)	2,549	2,549	18,127	17,149	3,625

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

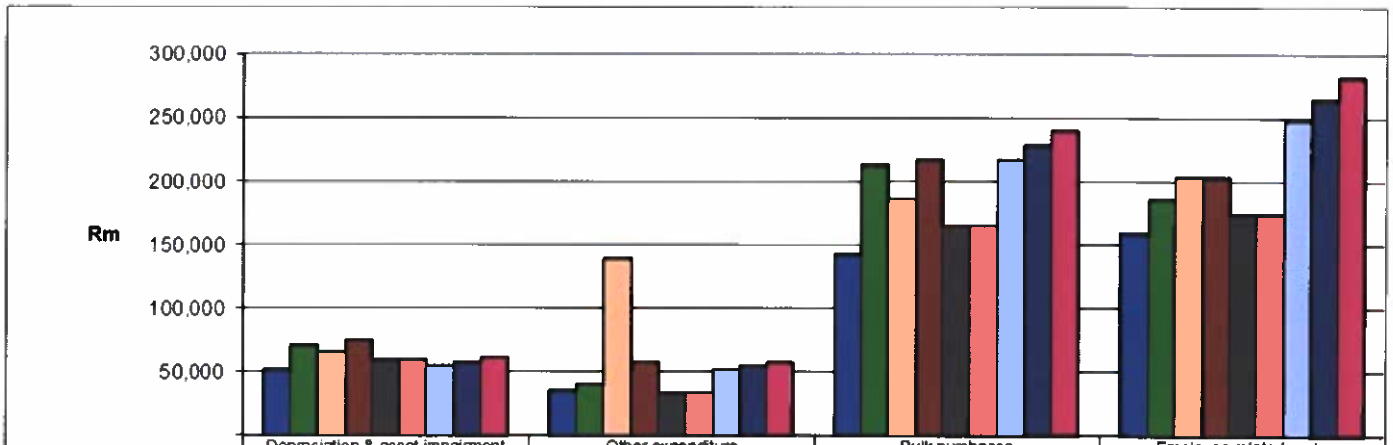
Table 12 MBRR Table A4 - Budgeted Financial Performance

LIM368 Modimolle-Mookgopong - Table A4 Budgeted Financial Performance (revenue and expenditure)

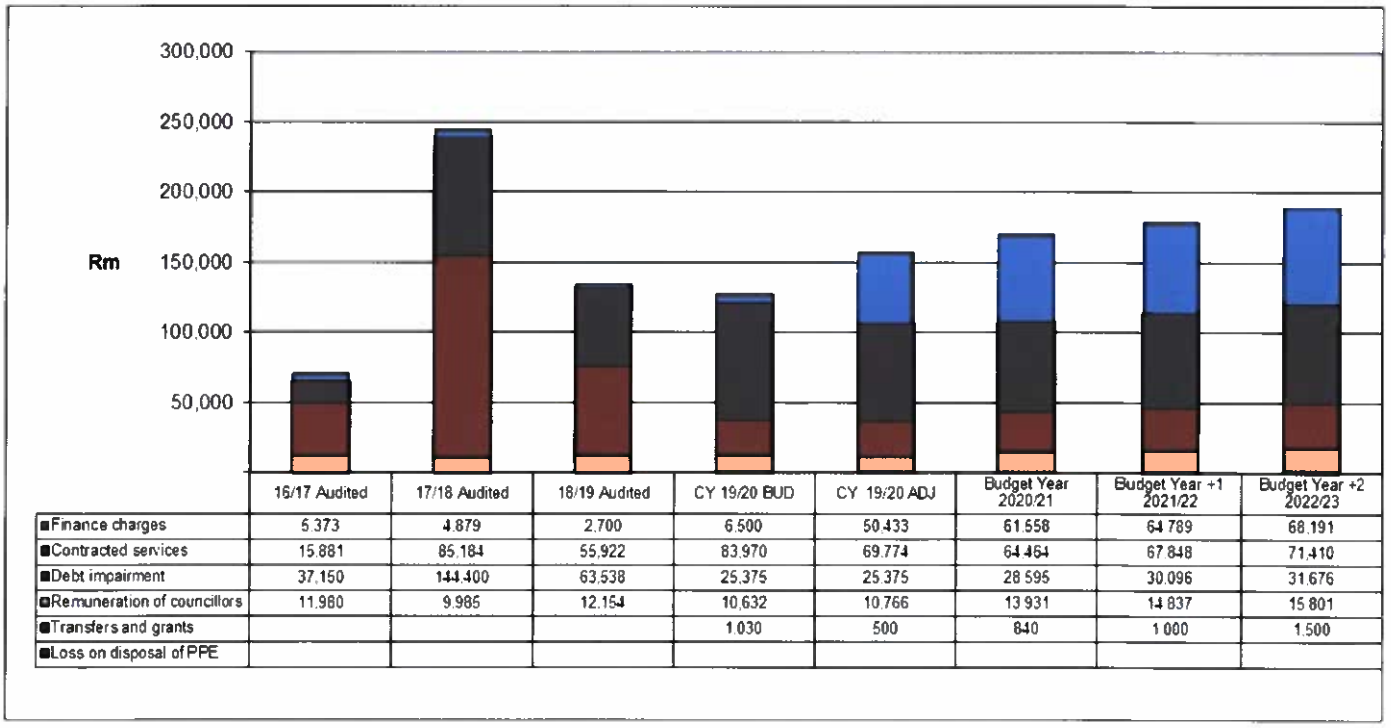
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	55,979	71,417	73,998	128,575	128,575	128,575	–	143,418	150,947	158,872
Service charges - electricity revenue	2	124,260	126,338	151,759	158,958	183,274	183,274	–	223,081	234,793	247,119
Service charges - water revenue	2	29,379	59,056	62,164	66,804	71,411	71,411	–	79,969	84,167	88,586
Service charges - sanitation revenue	2	25,024	14,834	15,674	17,016	18,576	18,576	–	32,197	33,887	35,666
Service charges - refuse revenue	2	15,008	17,497	18,232	19,802	21,523	21,523	–	21,646	22,783	23,979
Rental of facilities and equipment		247	252	425	432	432	432		891	938	987
Interest earned - external investments		2,696	695	2,377	1,100	1,100	1,100		600	632	665
Interest earned - outstanding debtors		24,608	34,932	35,876	47,476	47,476	47,476		48,998	51,552	54,221
Dividends received		–	–	–	–				–	–	–
Fines, penalties and forfeits		400	626	226	676	676	676		750	789	831
Licences and permits		2,292	1,213	6,473	2,015	2,313	2,313		4,239	4,461	4,695
Agency services		–	–	–	–				–	–	–
Transfers and subsidies		89,412	103,043	175,458	115,923	40,482	40,482		123,439	131,131	139,298
Other revenue	2	5,019	5,096	3,045	5,015	21,301	21,301	–	16,131	16,978	17,869
Gains									–		
Total Revenue (excluding capital transfers and contributions)		**374,324**	**434,999**	**545,705**	**563,793**	**537,140**	**537,140**	**–**	**695,358**	**733,058**	**772,788**
Expenditure By Type											
Employee related costs	2	159,053	186,126	202,775	202,983	173,870	173,870	–	248,211	264,345	281,527
Remuneration of councillors		11,980	9,985	12,154	10,632	10,766	10,766		13,931	14,837	15,801
Debt impairment	3	37,150	144,400	63,538	25,375	25,375	25,375		28,595	30,096	31,676
Depreciation & asset impairment	2	51,401	70,453	64,554	74,680	59,074	59,074	–	54,655	57,525	60,545
Finance charges		5,373	4,879	2,700	6,500	50,433	50,433		61,558	64,789	68,191
Bulk purchases	2	142,637	212,292	185,700	216,726	164,453	164,453	–	216,425	227,788	239,747
Other materials	8	20,681	7,700	592	25,442	7,058	7,058		7,411	7,800	8,209
Contracted services		15,881	85,184	55,922	83,970	69,774	69,774	–	64,464	67,848	71,410
Transfers and subsidies		–	–	–	1,030	500	500	–	840	1,000	1,500
Other expenditure	4, 5	35,167	40,104	138,464	57,322	32,919	32,919	–	51,542	54,248	57,096
Losses				9,345							
Total Expenditure		**479,322**	**761,122**	**735,744**	**704,658**	**594,221**	**594,221**	**–**	**747,632**	**790,275**	**835,702**
Surplus/(Deficit)		**(104,998)**	**(326,122)**	**(190,038)**	**(140,865)**	**(57,081)**	**(57,081)**	**–**	**(52,274)**	**(57,218)**	**(62,913)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		84,289	51,647	58,043	59,630	59,630	59,630		70,401	74,367	66,539
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–									
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**(20,709)**	**(274,475)**	**(131,995)**	**(81,235)**	**2,549**	**2,549**	**–**	**18,127**	**17,149**	**3,625**
Taxation											
Surplus/(Deficit) after taxation		**(20,709)**	**(274,475)**	**(131,995)**	**(81,235)**	**2,549**	**2,549**	**–**	**18,127**	**17,149**	**3,625**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**(20,709)**	**(274,475)**	**(131,995)**	**(81,235)**	**2,549**	**2,549**	**–**	**18,127**	**17,149**	**3,625**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**(20,709)**	**(274,475)**	**(131,995)**	**(81,235)**	**2,549**	**2,549**	**–**	**18,127**	**17,149**	**3,625**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R695 358 million in 2020/21 and increases to R772 788 million by 2022/23. This represents a decrease of 5 percent when comparing the 2019/20 adjusted budget and the 2019/20 annual budget. The main drive for slight decrease in the adjusted revenue budget is the withholding or reduction of equitable shares due to repayment of unspent grants.
2. Revenue to be generated from property rates is R143 418 million in the 2020/21 financial year and increases to R158 872 million by 2022/23 which remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R500 million for the 2020/21 financial year and increasing to R554 million by 2022/23. For the 2020/21 financial year services charges amount to 72 percent of the total revenue base.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing by 6 percent for the 2020/21 and 11 percent for 2022/23 outer year.
5. The following graph illustrates the major expenditure items per type.



	Depreciation & asset impairment	Other expenditure	Bulk purchases	Employee related costs
16/17 Audited	51,401	35,167	142,637	159,053
17/18 Audited	70,453	40,104	212,292	186,126
18/19 Audited	64,554	138,464	185,700	202,775
CY 19/20 BUD	74,680	57,322	216,726	202,983
CY 19/20 ADJ	59,074	32,919	164,453	173,870
CY 19/20 FCST	59,074	32,919	164,453	173,870
Budget Year 2020/21	54,655	51,542	216,425	248,211
Budget Year +1 2021/22	57,525	54,248	227,788	264,345
Budget Year +2 2022/23	60,545	57,096	239,747	281,527



	16/17 Audited	17/18 Audited	18/19 Audited	CY 19/20 BUD	CY 19/20 ADJ	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Finance charges	5.373	4.879	2.700	6.500	50.433	61.558	64.789	68.191
Contracted services	15.881	85.184	55.922	83.970	69.774	64.464	67.848	71.410
Debt impairment	37.150	144.400	63.538	25.375	25.375	28.595	30.096	31.676
Remuneration of councillors	11.980	9.985	12.154	10.632	10.766	13.931	14.837	15.801
Transfers and grants				1.030	500	840	1.000	1.500
Loss on disposal of PPE								

Figure 1 Expenditure by minor type

- Bulk purchases have significantly increased over the 2020/21 to 2022/23 period escalating from R216 425 million to R239 747 million. These increases can be attributed to the substantial increase in the cost of bulk electricity, outstanding debt from Eskom and water from Magalies Water board.
- Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
- The table below indicate the percentage budgeted by type of expenditure.

The table below indicate the percentage spend/budgeted by type of expenditure.

	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework					
Expenditure By Type	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
Employee related costs	202,775	202,983	173,870	173,870	248,211	33%	264,345	33%	281,527	34%
Remuneration of councillors	12,154	10,632	10,766	10,766	13,931	2%	14,837	2%	15,801	2%
Debt impairment	63,538	25,375	25,375	25,375	28,595	4%	30,096	4%	31,676	4%
Depreciation & asset impairment	64,554	74,680	59,074	59,074	54,655	7%	57,525	7%	60,545	7%
Finance charges	2,700	6,500	50,433	50,433	61,558	8%	64,789	8%	68,191	8%
Bulk purchases	185,700	216,726	164,453	164,453	216,425	29%	227,788	29%	239,747	29%
Other materials	592	25,442	7,058	7,058	7,411	1%	7,800	1%	8,209	1%
Contracted services	55,922	83,970	69,774	69,774	64,464	9%	67,848	9%	71,410	9%
Transfers and subsidies	–	1,030	500	500	840	0%	1,000	0%	1,500	0%
Other expenditure	138,464	57,322	32,919	32,919	51,542	7%	54,248	7%	57,096	7%
Losses	9,345									
Total Expenditure	735,744	704,658	594,221	594,221	747,632	100%	790,275	100%	835,702	100%

The following expenditure type's equals to more than 64% of the operating budget and are fixed overhead expenditure:

- Employee Cost
- Councilors Remuneration
- Bulk Purchases

General Expenditure increases to 7% from the Adjusted budget throughout 2020/21 to 2022/23 financial years.

Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Public Office Bearers		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Reporting		-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Economic Devepoment		-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		82,040	44,989	14,266	9,764	12,767	12,767	-	16,250	39,367	41,539
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		3,954	4,275	-	26,866	26,866	26,866	-	16,298	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	85,994	49,264	14,266	36,630	39,633	39,633	-	32,548	39,367	41,539
Single-year expenditure *to be appropriated*	2										
Vote 1 - Public Office Bearers		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Reporting		-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Economic Devepoment		-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		1,195	-	1,178	23,000	23,000	23,000	-	37,850	35,000	25,000
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	3,797	14,639	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1,195	3,797	15,817	23,000	23,000	23,000	-	37,850	35,000	25,000
Total Capital Expenditure - Vote		87,190	53,061	30,083	59,630	62,633	62,633	-	70,398	74,367	66,539

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2020/21 R32 million has been allocated of the total R70 million capital budget, which totals 46 percent.

3. Single-year capital expenditure has been appropriated at R38 million for the 2020/21 financial.

4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP

and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

Table 14 MBRR Table A6 - Budgeted Financial Position

LIM368 Modimolle-Mookgopong - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Current assets											
Cash		11,460	9	167,555	46,044	6,044	6,044		29,664	31,222	32,861
Call investment deposits	1	900	1,272	900	900	900	900		900	900	900
Consumer debtors	1	212,364	100,150	327,120	416,310	592,268	592,268	-	537,528	565,748	595,450
Other debtors		23,254	34,214	259,092	7,987	7,987	7,987		259,811	273,451	287,807
Current portion of long-term receivables		-	70,651		372	372	372		-		
Inventory	2	5,300	2,944	2,454	2,944	2,944	2,944		2,454	2,583	2,718
Total current assets		253,277	209,240	757,121	474,557	610,515	610,515	-	830,357	873,903	919,736
Non current assets											
Long-term receivables											
Investments		128	131	131	131	133	133		133	140	148
Investment property		17,207	17,207	17,207	17,207	17,207	17,207		17,207	18,110	19,061
Investment in Associate				-		-	-		-		
Property, plant and equipment	3	1,345,185	1,351,995	1,232,631	1,336,945	1,235,731	1,235,731	-	1,303,069	1,371,481	1,443,483
Biological				-		-	-		-		
Intangible		2,666	4,911	4,911	4,911	4,911	4,911		4,911	5,169	5,440
Other non-current assets		181	161	295	161	161	161		161	170	179
Total non current assets		1,365,368	1,374,406	1,255,175	1,359,356	1,258,144	1,258,144	-	1,325,482	1,395,070	1,468,311
TOTAL ASSETS		1,618,645	1,583,646	2,012,296	1,833,913	1,868,659	1,868,659	-	2,155,839	2,268,973	2,388,047
LIABILITIES											
Current liabilities											
Bank overdraft	1	154,953	87,141		540,822	148,545	148,545		-		
Borrowing	4	151	19,890	-	-	-	-	-	20	21	22
Consumer deposits		7,332	7,332	19,698	8,798	8,798	8,798		19,698	20,732	21,821
Trade and other payables	4	227,907	524,646	980,382	461,244	431,992	431,992	-	636,209	630,610	663,764
Provisions		1,470	5,978	-	2,028	2,028	2,028				
Total current liabilities		391,813	644,987	1,000,081	1,012,893	591,363	591,363	-	655,927	651,363	685,607
Non current liabilities											
Borrowing		38,014	20	50,580	50,085	-	-	-	-	-	-
Provisions		71,155	113,336	89,310	63,271	115,870	115,870	-	139,890	147,234	154,964
Total non current liabilities		109,168	113,356	139,890	113,356	115,870	115,870	-	139,890	147,234	154,964
TOTAL LIABILITIES		500,981	758,343	1,139,971	1,126,249	707,234	707,234	-	795,817	798,597	840,571
NET ASSETS	5	1,117,664	825,303	872,325	707,665	1,161,425	1,161,425	-	1,360,022	1,470,376	1,547,475
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,117,181	824,820	871,842	707,181	1,160,942	1,160,942		1,359,538	1,469,892	1,546,992
Reserves	4	483	483	483	483	483	483	-	483	483	483
TOTAL COMMUNITY WEALTH/EQUITY	5	1,117,664	825,303	872,325	707,665	1,161,425	1,161,425	-	1,360,022	1,470,376	1,547,475

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 26 is supported by an extensive table of notes (SA3 which can be found on page 62) providing a detailed analysis of the major components of a number of items, including:

   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non-current;
   - Changes in net assets; and
   - Reserves

4. Included in Trade and other payables are the following classes of current liabilities:
   - Trade payables
   - Debtors with credit balances
   - Retention
   - Leave provision
   - Other Creditors e.g Unknown deposits

5. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

6. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 15 MBRR Table A7 - Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates						119,497	119,497		107,563	105,663	111,211
Service charges				331,769		261,701	261,701		295,060	289,424	304,618
Other revenue						34,723	34,723		21,635	22,771	23,966
Transfers and Subsidies - Operational	1			233,727		40,482	40,482		123,439	129,919	136,740
Transfers and Subsidies - Capital	1					59,630	59,630		72,317	76,439	68,725
Interest				2,377		58,576	58,576		25,099	26,417	27,804
Dividends				-					-	-	-
Payments											
Suppliers and employees				523,996		(505,375)	(505,375)		(629,984)	(636,865)	(673,790)
Finance charges				1,880		(7,000)	(7,000)		(61,558)	(64,789)	(68,191)
Transfers and Grants	1			-		(880)	(880)		(840)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	1,093,749	-	61,353	61,353	-	(47,268)	(51,021)	(68,917)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				10,628					-	-	-
Decrease (increase) in non-current receivables				(455,126)					-	-	-
Proceeds on sale of financial assets				(2)							
Purchase of VAT recovarable				(50,066)							
Purchase of other assets				(346)							
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets						(62,633)	(62,633)		(72,317)	(76,439)	(68,725)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(444,498)	-	(62,633)	(62,633)	-	(72,317)	(76,439)	(68,725)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	649,251	-	(1,280)	(1,280)	-	(119,585)	(127,460)	(137,642)
Cash/cash equivalents at the year begin:	2					29,664	29,664		22,789	(96,795)	(224,256)
Cash/cash equivalents at the year end:	2	-	-	649,251	-	28,384	28,384	-	(96,795)	(224,256)	(361,898)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Although the cash and cash equivalents increases over the medium term the municipality are faced with the concern that not all creditors can be paid because of the low collection rate.

Table 16 MBRR Table A8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

LIM368 Modimolle-Mookgopong - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	(143,493)	(87,132)	29,664	(273,479)	28,384	28,384	-	(96,795)	(224,256)	(361,898)
Other current investments > 90 days		900	1,272	138,790	(220,400)	(169,986)	(169,986)	-	127,359	256,377	395,658
Non current assets - Investments	1	17,207	131	131	131	133	133	-	133	140	148
Cash and investments available:		(125,386)	(85,728)	168,586	(493,747)	(141,468)	(141,468)	-	30,698	32,262	33,908
Application of cash and investments											
Unspent conditional transfers		-	83,780	89,054	53,938	47,356	47,356	-	20,100	11,155	11,266
Unspent borrowing		-	-	-	-	-	-		-	-	-
Statutory requirements	2										
Other working capital requirements	3	63,443	359,688	362,646	135,725	(119,157)	(119,157)	-	8,667	20,123	21,666
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		63,443	443,467	451,699	189,662	(71,801)	(71,801)	-	28,767	31,278	32,932
Surplus(shortfall)		(188,829)	(529,196)	(283,113)	(683,409)	(69,667)	(69,667)	-	1,931	983	976

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The municipality will need to increase its revenue collection in this budget year to ensure sustainable service delivery.

Table 19 MBRR Table A9 - Asset Management

LIM368 Modimolle-Mookgopong - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE										
Total New Assets	1	40,265	36,181	24,572	59,630	62,633	62,633	70,398	74,367	66,539
Roads Infrastructure		10,744	1,725	9,404	9,764	9,764	9,764	16,250	39,367	41,539
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		1,170	5,336	–	23,000	24,782	24,782	37,850	35,000	25,000
Water Supply Infrastructure		16,051	989	–	–	1,100	1,100	–	–	–
Sanitation Infrastructure		8,346	20,058	–	–	121	121	–	–	–
Solid Waste Infrastructure		1,185	4,275	14,639	21,479	21,479	21,479	4,355	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*37,496*	*32,384*	*24,042*	*54,243*	*57,246*	*57,246*	*58,455*	*74,367*	*66,539*
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		2,769	3,797	–	5,387	5,387	5,387	11,944	–	–
Community Assets		*2,769*	*3,797*	–	*5,387*	*5,387*	*5,387*	*11,944*	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	530	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	46,925	16,880	5,510	–	–	–	–	–	–
Roads Infrastructure		17,973	971	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		4,402	65	48	–	–	–	–	–	–
Water Supply Infrastructure		22,837	11,524	3,570	–	–	–	–	–	–
Sanitation Infrastructure		1,712	4,320	1,892	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*46,925*	*16,880*	*5,510*	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–

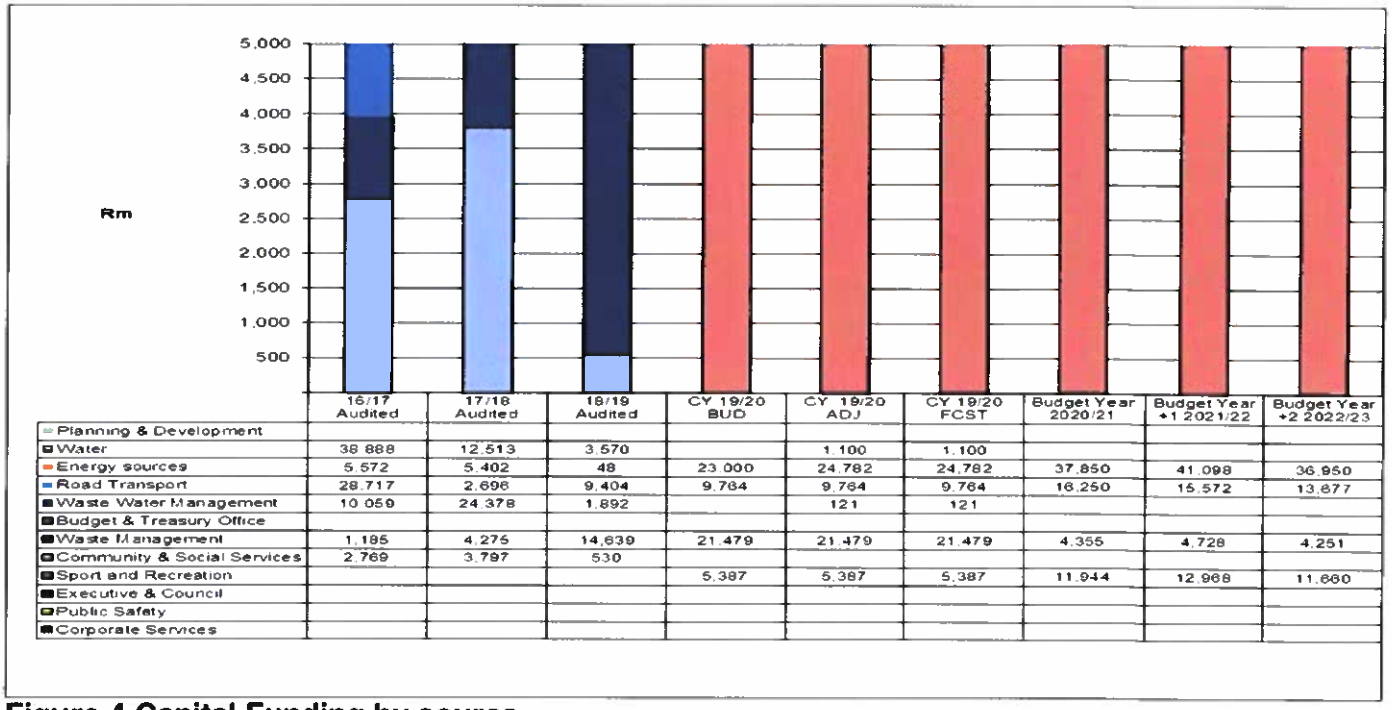
Total Capital Expenditure	4	87,190	53,061	30,083	59,630	62,633	62,633	70,398	74,367	66,539
Roads Infrastructure		28,717	2,696	9,404	9,764	9,764	9,764	16,250	39,367	41,539
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		5,572	5,402	48	23,000	24,782	24,782	37,850	35,000	25,000
Water Supply Infrastructure		38,888	12,513	3,570	-	1,100	1,100	-	-	-
Sanitation Infrastructure		10,059	24,378	1,892	-	121	121	-	-	-
Solid Waste Infrastructure		1,185	4,275	14,639	21,479	21,479	21,479	4,355	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		**84,421**	**49,264**	**29,552**	**54,243**	**57,246**	**57,246**	**58,455**	**74,367**	**66,539**
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		2,769	3,797	-	5,387	5,387	5,387	11,944	-	-
Community Assets		**2,769**	**3,797**	**-**	**5,387**	**5,387**	**5,387**	**11,944**	**-**	**-**
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	530	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**87,190**	**53,061**	**30,083**	**59,630**	**62,633**	**62,633**	**70,398**	**74,367**	**66,539**

ASSET REGISTER SUMMARY - PPE (WDV)	5	1,324,772	1,351,995	1,232,631	1,336,945	1,336,945	1,336,945	1,405,974	1,478,626	1,555,093
Roads Infrastructure		321,171	240,937	211,810	199,303	199,303	199,303	209,766	220,779	232,370
Storm water Infrastructure		-	-	-	28,245	28,245	28,245	29,727	31,288	32,931
Electrical Infrastructure		124,026	126,462	107,039	134,692	134,692	134,692	141,763	149,206	157,039
Water Supply Infrastructure		161,095	148,277	128,475	232,848	232,848	232,848	245,073	257,939	271,481
Sanitation Infrastructure		150,264	140,458	120,441	191,189	191,189	191,189	201,227	211,791	222,910
Solid Waste Infrastructure		1,737	1,737	13,855	11,851	11,851	11,851	12,473	13,128	13,817
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		**758,294**	**657,871**	**581,620**	**798,128**	**798,128**	**798,128**	**840,030**	**884,131**	**930,548**
Community Assets		535,771	632,280	50,383	485,169	485,169	485,169	510,640	537,449	565,665
Heritage Assets					161	161	161	170	179	188
Investment properties					17,207	17,207	17,207	17,207	17,207	17,207
Other Assets		21,180	31,137	572,935	26,122	26,122	26,122	27,493	28,937	30,456
Biological or Cultivated Assets										
Intangible Assets		3,641	3,641	3,641	4,911	4,911	4,911	4,911	4,911	4,911
Computer Equipment										
Furniture and Office Equipment		645	645	1,175	1,267	1,267	1,267	1,334	1,404	1,477
Machinery and Equipment		758	758	758	693	693	693	729	768	808
Transport Assets		4,484	4,484	4,484	3,287	3,287	3,287	3,460	3,642	3,833
Land			21,180	17,635						
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,324,772	1,351,995	1,232,631	1,336,945	1,336,945	1,336,945	1,405,974	1,478,626	1,555,093
EXPENDITURE OTHER ITEMS		72,081	170,520	144,885	164,211	133,978	133,978	88,107	92,733	97,601
Depreciation	7	51,401	70,453	64,554	74,680	59,074	59,074	54,655	57,525	60,545
Repairs and Maintenance by Asset Class	3	20,681	100,067	80,331	89,531	74,904	74,904	33,452	35,208	37,057
Roads Infrastructure		780	27,052	23,310	27,688	22,325	22,325	9,970	10,589	11,145
Storm water Infrastructure		100	1,661	591	1,700	1,700	1,700	759	799	841
Electrical Infrastructure		4,896	30,881	20,569	26,955	19,154	19,154	8,554	8,907	9,375
Water Supply Infrastructure		8,748	24,335	20,663	20,051	20,051	20,051	8,955	9,425	9,920
Sanitation Infrastructure		2,701	12,523	11,097	7,961	6,498	6,498	2,902	3,055	3,215
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		**17,225**	**96,452**	**76,229**	**84,356**	**69,728**	**69,728**	**31,141**	**32,776**	**34,496**
Community Facilities		220	119	-	122	122	122	54	57	60
Sport and Recreation Facilities		112	268	230	274	274	274	123	129	136
Community Assets		**333**	**387**	**230**	**396**	**396**	**396**	**177**	**186**	**196**
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		728	724	564	741	741	741	331	348	367
Housing		-	-	-	-	-	-	-	-	-
Other Assets		**728**	**724**	**564**	**741**	**741**	**741**	**331**	**348**	**367**
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	402	272	412	412	412	184	194	204
Intangible Assets		-	**402**	**272**	**412**	**412**	**412**	**184**	**194**	**204**
Computer Equipment		52	510	345	522	522	522	233	245	258
Furniture and Office Equipment		70	416	244	426	426	426	190	200	211
Machinery and Equipment		2,272	1,177	1,294	1,545	1,545	1,545	690	726	764
Transport Assets		-	-	1,152	1,134	1,134	1,134	507	533	561
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		72,081	170,520	144,885	164,211	133,978	133,978	88,107	92,733	97,601
Renewal and upgrading of Existing Assets as % of total capex		*53.8%*	*31.8%*	*18.3%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal and upgrading of Existing Assets as % of deprecn		*91.3%*	*24.0%*	*8.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE		*1.5%*	*7.4%*	*6.5%*	*6.7%*	*6.1%*	*6.1%*	*2.6%*	*2.6%*	*2.6%*
Renewal and upgrading and R&M as a % of PPE		*5.0%*	*9.0%*	*7.0%*	*7.0%*	*6.0%*	*6.0%*	*2.0%*	*2.0%*	*2.0%*

Explanatory notes to Table A9 - Asset Management

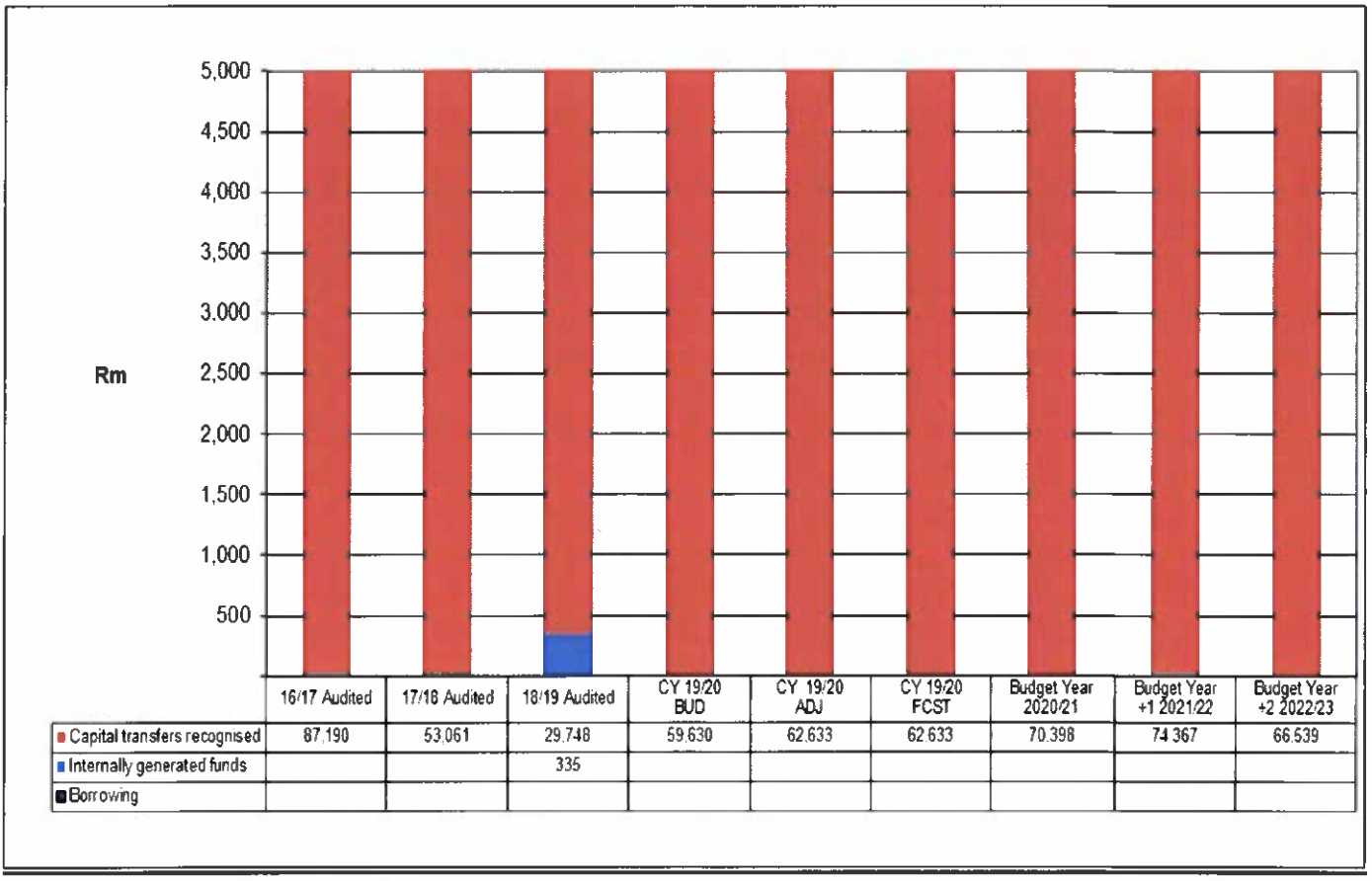
1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. The former Modimolle Local Municipality unbundled its infrastructure assets in the 2010 and 2011 financial year. This resulted in an increase in the PPE value. The municipality takes note of the National Treasury Circular No. 55 that Repair and Maintenance must be at least 8% of the PPE value but this cannot be done. The repair and maintenance for 2020/21 is 2.6% of PPE and remains the same for the two outer years.
3. The repair and maintenance plus renewal capital budget percentage decreased from the 2019/20 financial year. In the 2020/21 financial year it is 2% of PPE and remains the same until in the 2022/23 financial year

Figure 3 Capital by standard classification



	16/17 Audited	17/18 Audited	18/19 Audited	CY 19/20 BUD	CY 19/20 ADJ	CY 19/20 FCST	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Planning & Development									
Water	38 888	12,513	3,570		1,100	1,100			
Energy sources	5,572	5,402	48	23,000	24,782	24,782	37,850	41,098	36,950
Road Transport	28,717	2,696	9,404	9,764	9,764	9,764	16,250	15,572	13,677
Waste Water Management	10 059	24 378	1,892		121	121			
Budget & Treasury Office									
Waste Management	1,185	4,275	14,639	21,479	21,479	21,479	4,355	4,728	4,251
Community & Social Services	2,769	3,797	530						
Sport and Recreation				5,387	5,387	5,387	11,944	12,968	11,660
Executive & Council									
Public Safety									
Corporate Services									

Figure 4 Capital Funding by source



	16/17 Audited	17/18 Audited	18/19 Audited	CY 19/20 BUD	CY 19/20 ADJ	CY 19/20 FCST	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital transfers recognised	87.190	53.061	29.748	59.630	62.633	62.633	70.398	74.367	66.539
Internally generated funds			335						
Borrowing									

Table 17 MBRR Table A10 - Basic Service Delivery Measurement

LIM368 Modimolle-Mookgopong - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	21,849	22,206	22,206	22,206	–	–	–
Piped water inside yard (but not in dwelling)		–	–	4,964	5,043	5,043	5,043	–	–	–
Using public tap (at least min.service level)	2	–	–	1,636	1,667	1,667	1,667	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	28,449	28,916	28,916	28,916	–	–	–
Using public tap (< min.service level)	3	–	–	287	302	302	302	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	257	261	261	261	–	–	–
Below Minimum Service Level sub-total		–	–	544	563	563	563	–	–	–
Total number of households	5	–	–	28,993	29,479	29,479	29,479	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	23,813	24,216	24,216	24,216	–	–	–
Flush toilet (with septic tank)		–	–	545	554	554	554	–	–	–
Chemical toilet		–	–	86	87	87	87	–	–	–
Pit toilet (ventilated)		–	–	1,614	1,641	1,641	1,641	–	–	–
Other toilet provisions (> min.service level)		–	–	1,947	1,980	1,980	1,980	–	–	–
Minimum Service Level and Above sub-total		–	–	28,005	28,479	28,479	28,479	–	–	–
Bucket toilet		–	–	195	198	198	198	–	–	–
Other toilet provisions (< min.service level)		–	–	262	266	266	266	–	–	–
No toilet provisions		–	–	527	536	536	536	–	–	–
Below Minimum Service Level sub-total		–	–	984	1,001	1,001	1,001	–	–	–
Total number of households	5	–	–	28,989	29,479	29,479	29,479	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	13,235	12,953	12,953	12,953	–	–	–
Electricity - prepaid (min.service level)		–	–	15,555	15,224	15,224	15,224	–	–	–
Minimum Service Level and Above sub-total		–	–	28,790	28,178	28,178	28,178	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	1,330	1,302	1,302	1,302	–	–	–
Below Minimum Service Level sub-total		–	–	1,330	1,302	1,302	1,302	–	–	–
Total number of households	5	–	–	30,120	29,479	29,479	29,479	–	–	–
Refuse:										
Removed at least once a week		–	–	22,978	29,479	29,479	29,479	–	–	–
Minimum Service Level and Above sub-total		–	–	22,978	29,479	29,479	29,479	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	22,978	29,479	29,479	29,479	–	–	–

Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	7,500	17,822	17,822	17,822	17,822	17,822	17,822
Sanitation (free minimum level service)		-	-	7,500	17,822	17,822	17,822	17,822	17,822	17,822
Electricity/other energy (50kwh per household per month)		-	-	7,500	17,822	17,822	17,822	17,822	17,822	17,822
Refuse (removed at least once a week)		-	-	7,500	17,822	17,822	17,822	17,822	17,822	17,822
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		-	-	1,078	28,845	28,845	28,845	1,172	1,234	1,299
Sanitation (free sanitation service to **indigent households**)		-	-	1,076	21,670	21,670	21,670	1,763	1,855	1,953
Electricity/other energy (50kwh per **indigent** household per month)		-	-	2,685	18,708	18,708	18,708	22,893	24,095	25,359
Refuse (removed once a week **for indigent households**)		-	-	2,686	18,166	18,166	18,166	2,671	2,811	2,958
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	7,524	87,389	87,389	87,389	28,498	29,994	31,569
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)			6							
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)			50							
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		-	12,440	-	234,284	-	-	238,109	250,609	263,766
Water **(in excess of 6 kilolitres per indigent household per month)**		-	-	-	-	-	-	-	-	-
Sanitation **(in excess of free sanitation service to indigent households)**		-	-	-	-	-	-	-	-	-
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		-	-	-	-	-	-	-	-	-
Refuse **(in excess of one removal a week for indigent households)**		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		-	12,440	-	234,284	-	-	238,109	250,609	263,766

Table 18MBRR Table SA 1 - Supporting detail to 'Budgeted Financial Performance

LIM368 Modimolle-Mookgopong - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		55,979	83,857	73,998	362,860	128,575	128,575		381,526	401,557	422,638
less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)			12,440		234,284				238,109	250,609	263,766
Net Property Rates		55,979	71,417	73,998	128,575	128,575	128,575	–	143,418	150,947	158,872
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		124,260	126,338	154,443	177,666	201,982	201,982		245,974	258,887	272,479
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	2,685	18,708	18,708	18,708		22,893	24,095	25,359
Net Service charges - electricity revenue		124,260	126,338	151,759	158,958	183,274	183,274	–	223,081	234,793	247,119
Service charges - water revenue	6										
Total Service charges - water revenue		29,379	59,056	63,242	95,648	100,256	100,256		81,141	85,401	89,884
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	1,078	28,845	28,845	28,845		1,172	1,234	1,299
Net Service charges - water revenue		29,379	59,056	62,164	66,804	71,411	71,411	–	79,969	84,167	88,586
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		25,024	14,834	16,749	38,686	40,246	40,246		33,960	35,743	37,619
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	1,076	21,670	21,670	21,670		1,763	1,855	1,953
Net Service charges - sanitation revenue		25,024	14,834	15,674	17,016	18,576	18,576	–	32,197	33,887	35,666
Service charges - refuse revenue	6										
Total refuse removal revenue		15,008	17,497	20,918	37,968	39,689	39,689		24,317	25,594	26,937
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		–	–	2,686	18,166	18,166	18,166		2,671	2,811	2,958
Net Service charges - refuse revenue		15,008	17,497	18,232	19,802	21,523	21,523	–	21,646	22,783	23,979

Other Revenue by source											
Fuel Levy											
Other Revenue				3,045		21,301	21,301		16,131	16,978	17,869
Administrative Handling Fees		394	406		832						
Skills Development Levy Refund		–	48		141						
Staff Recoveries(Contineous medical Aid Retired Emp.)		–	757		848						
Advertisements		77	41		160						
Building Plan Approval		444	647		387						
Cemetery and Burial		303	301		767						
Clearance Certificates		363	281		852						
Fire Services		1,000	957		–						
Library Fees		13	15		39						
Sale of Goods		2,330	1,593		821						
Valuation Services		94	50		169						
Total 'Other' Revenue	1	**5,019**	**5,096**	**3,045**	**5,015**	**21,301**	**21,301**	**–**	**16,131**	**16,978**	**17,869**

EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages		2	103,821	120,622	116,717	115,123	106,621	106,621		126,461	134,681	143,435
Pension and UIF Contributions			19,851	25,900	32,639	24,795	21,791	21,791		21,094	22,465	23,926
Medical Aid Contributions			6,517	7,690	–	8,866	7,907	7,907		8,681	9,245	9,846
Overtime			8,048	11,626	14,051	14,213	9,718	9,718		9,212	9,811	10,449
Performance Bonus			–	–	–	–	–	–			–	–
Motor Vehicle Allowance			9,081	11,007	10,230	13,253	9,214	9,214		13,579	14,462	15,402
Cellphone Allowance			1,302	1,124	797	1,649	331	331		523	557	593
Housing Allowances			679	781	897	993	666	666		754	803	855
Other benefits and allowances			8,374	6,218	24,366	18,644	11,535	11,535		62,221	66,266	70,573
Payments in lieu of leave			–	–	–	1,381	1,381	1,381		–	–	–
Long service awards			904	1,157	1,957	1,353	1,992	1,992		5,686	6,056	6,449
Post-retirement benefit obligations		4	476		1,122	2,714	2,714	2,714			–	–
	sub-total	5	159,053	186,126	202,775	202,983	173,870	173,870	–	248,211	264,345	281,527
Less: Employees costs capitalised to PPE												
Total Employee related costs		1	159,053	186,126	202,775	202,983	173,870	173,870	–	248,211	264,345	281,527
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment			51,401	70,453	64,554	74,680	59,074	59,074		54,655	57,525	60,545
Lease amortisation							–			–		
Capital asset impairment							–			–		
Total Depreciation & asset impairment		1	51,401	70,453	64,554	74,680	59,074	59,074	–	54,655	57,525	60,545
Bulk purchases												
Electricity Bulk Purchases			140,549	202,015	171,587	203,526	148,515	148,515		197,008	207,351	218,237
Water Bulk Purchases			2,088	10,278	14,113	13,200	15,938	15,938		19,417	20,437	21,510
Total bulk purchases		1	142,637	212,292	185,700	216,726	164,453	164,453	–	216,425	227,788	239,747

Transfers and grants											
Cash transfers and grants		–	–	–	1,030	–	–	–	840	1,000	1,500
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	–	–	–	1,030	–	–	–	840	1,000	1,500
Contracted services											
Outsourced Services				20,059		22,235	22,235		12,430	13,083	13,769
Consultants and Professional Services				25,094		18,205	18,205		19,990	21,039	22,144
Contractors				10,769		29,334	29,334		32,044	33,726	35,497
Business and Advisory			7,502		9,440						
Infrastructure and Planning(Town planning)			243		232						
Legal Cost		15,881	18,956		10,000						
Rental Photocopiers			–		1,044						
Maintenance of Buildings and Facilities			598		1,281						
Maintenance of Equipment			5,186		5,822						
Maintenance of Unspecified Assets			5,404		28,613						
Sewerage Services(Maintenance)			14,932		1,126						
Traffic and Street Lights(Maintenance)			300		121						
Transportation			271		–						
Transport assets maintenance			7,683		–						
Burial Services			60		–						
Business and Advisory			–		–						
Catering Services			–		–						
Security Services			13,172		14,430						
Water Takers			5,818		2,358						
Maintenance of Machinery and transport assets			–		876						
Machinery and Equipment(Inspection of Equipment Electricity)			–		573						
Transport Assets/Vehicles costs(Leasing of Trucks)			5,059		–						
Website Maintenance					11						
Computer Software Licences					8,044						
Total contracted services		15,881	85,184	55,922	83,970	69,774	69,774	–	64,464	67,848	71,410

Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions		(15,936)									
Audit fees		2,675	2,324	10,838	7,714	5,246	5,246		5,000	5,263	5,539
Other Expenditure		48,428	37,779	127,626	49,608	27,673	27,673		46,542	48,986	51,557
General expenses		38,373	33,341		6,185						
Consultant fees		4,946									
Postage(Billings)					2,241						
Advertising Publicity and Marketing		439	381		469						
Bank Charges Facility and Card Fees		436	379		903						
Bargaining Council		–	–		433						
Transport Assets/Vehicles costs(Leasing of Trucks)		–	–		18,000						
Cleaning Services		64	56		163						
Commission		–	–		2,887						
Communication		–	–		729						
Drivers Licences and Permits		–	–		144						
Entertainment		8	7		31						
External Computer Service		429	372		6,107						
Insurance Underwriting		1,004	873		3,900						
Learnerships and Internships		29	25		69						
Levies Paid - Water Resource Management Charges		–	–		40						
Parking Fees		–	–		–						
Printing Publications and Books		1,667	1,449		442						
Professional Bodies Membership and Subscription		205	178		403						
Registration Fees		–	–		1,383						
Remuneration to Ward Committees		784	681		1,972						
Samples and Specimens		44	38		567						
Skills Development Fund Levy					2,215						
Servitudes for Boreholes					325						
Total 'Other' Expenditure	1	35,167	40,104	138,464	57,322	32,919	32,919	–	51,542	54,248	57,096

Repairs and Maintenance	8										
Employee related costs		–	41,561	41,940	46,800	46,800	46,800		20,901	21,998	23,153
Other materials		20,681	7,700	16,250	4,321	4,321	4,321		6,930	7,294	7,677
Contracted Services		–	50,807	22,141	38,410	23,783	23,783		5,621	5,917	6,227
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	20,681	100,067	80,331	89,531	74,904	74,904	–	33,452	35,208	37,057

Table 19 MBRR Table SA 2 - Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

LIM368 Modimolle-Mookgopong - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description R thousand	Ref 1	Vote 1 - Public Office Bearers	Vote 2 - Municipal Manager	Vote 3 - Budget and Treasury	Vote 4 - Planning and Economic	Vote 5 - Technical Services	Vote 6 - Corporate Services	Vote 7 - Community and Social Services	Total
Revenue By Source									
Property rates				143,418					143,418
Service charges - electricity revenue						223,081			223,081
Service charges - water revenue						79,969			79,969
Service charges - sanitation revenue						32,197			32,197
Service charges - refuse revenue								21,646	21,646
Rental of facilities and equipment								891	891
Interest earned - external investments				600					600
Interest earned - outstanding debtors				48,998					48,998
Dividends received									–
Fines, penalties and forfeits								750	750
Licences and permits								4,239	4,239
Agency services									–
Other revenue				16,131					16,131
Transfers and subsidies				2,500	119,023	1,916			123,439
Gains									–
Total Revenue (excluding capital transfers and cont		–	–	211,647	119,023	337,163	–	27,526	695,358
Expenditure By Type									
Employee related costs		6,161	3,934	42,565	17,794	78,717	27,267	71,774	248,211
Remuneration of councillors		13,931							13,931
Debt impairment				28,595					28,595
Depreciation & asset impairment		205	6,853	4	2,086	30,884	2,290	12,334	54,655
Finance charges						61,558			61,558
Bulk purchases						216,425			216,425
Other materials						7,411			7,411
Contracted services				19,990		32,044	12,430		64,464
Transfers and subsidies						840			840
Other expenditure		2,195	4,615	6,523	3,462	28,399	2,029	4,319	51,542
Losses									–
Total Expenditure		22,491	15,402	97,677	23,341	456,277	44,016	88,428	747,632
Surplus/(Deficit)		(22,491)	(15,402)	113,969	95,682	(119,115)	(44,016)	(60,902)	(52,274)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						70,401			70,401
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)									
Transfers and subsidies - capital (in-kind - all)									–
Surplus/(Deficit) after capital transfers & contributions		(22,491)	(15,402)	113,969	95,682	(48,714)	(44,016)	(60,902)	18,127

Table 20 MBRR Table SA 3 - Supporting detail to 'Budgeted Financial Position'

LIM368 Modimolle-Mookgopong - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Consumer debtors											
Consumer debtors		212,364	100,150	267,219	441,685	617,643	617,643		587,104	617,927	650,368
Less: Provision for debt impairment				59,901	(25,375)	(25,375)	(25,375)		(49,576)	(52,179)	(54,919)
Total Consumer debtors	2	212,364	100,150	327,120	416,310	592,268	592,268	–	537,528	565,748	595,450
Debt impairment provision											
Balance at the beginning of the year			37,150						59,901	63,046	66,356
Contributions to the provision					25,375	25,375	25,375		(49,576)	(52,179)	(54,919)
Bad debts written off											
Balance at end of year		–	37,150	–	25,375	25,375	25,375	–	10,325	10,867	11,437
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1,345,185	1,351,995	1,351,995	2,024,548	1,856,815	1,856,815		1,851,950	1,949,177	2,051,509
Leases recognised as PPE	3			–	–	–	–				
Less: Accumulated depreciation				119,364	687,603	621,084	621,084		548,880	577,697	608,026
Total Property, plant and equipment (PPE)	2	1,345,185	1,351,995	1,232,631	1,336,945	1,235,731	1,235,731	–	1,303,069	1,371,481	1,443,483
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)				–							
Current portion of long-term liabilities		151	19,890	–					20	21	22
Total Current liabilities - Borrowing		151	19,890	–	–	–	–	–	20	21	22
Trade and other payables											
Trade Payables	5	209,117	440,867	590,704	407,307	384,636	384,636		575,267	596,468	627,256
Other creditors		18,790	–	300,625	–	–	–		25,500	6,839	8,248
Unspent conditional transfers			83,780	89,054	53,938	47,356	47,356		20,100	11,155	11,266
VAT				–					15,342	16,147	16,995
Total Trade and other payables	2	227,907	524,646	980,382	461,244	431,992	431,992	–	636,209	630,610	663,764
Non current liabilities - Borrowing											
Borrowing	4	38,014	20	–	–						
Finance leases (including PPP asset element)				50,580	50,085	–	–				
Total Non current liabilities - Borrowing		38,014	20	50,580	50,085	–	–	–	–	–	–
Provisions - non-current											
Retirement benefits		71,155	50,065	–	2,028	52,599	52,599		50,580	53,235	56,030
Refuse landfill site rehabilitation			63,271	77,909	61,243	63,271	63,271		77,909	81,999	86,304
Other				11,401					11,401	12,000	12,630
Total Provisions - non-current		71,155	113,336	89,310	63,271	115,870	115,870	–	139,890	147,234	154,964
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1,137,890	1,099,295	1,003,837	788,416	1,158,393	1,158,393		1,341,411	1,452,743	1,543,367
GRAP adjustments											
Restated balance		1,137,890	1,099,295	1,003,837	788,416	1,158,393	1,158,393	–	1,341,411	1,452,743	1,543,367
Surplus/(Deficit)		(20,709)	(274,475)	(131,995)	(81,235)	2,549	2,549	–	18,127	17,149	3,625
Transfers to/from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	1,117,181	824,820	871,842	707,181	1,160,942	1,160,942	–	1,359,538	1,469,892	1,546,992
Reserves											
Housing Development Fund		483	483	483	483	483	483		483	483	483
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	483	483	483	483	483	483	–	483	483	483
TOTAL COMMUNITY WEALTH/EQUITY	2	1,117,664	825,303	872,325	707,665	1,161,425	1,161,425	–	1,360,022	1,470,376	1,547,475

Table 21 MBRR Table SA 4 - Reconciliation of IDP strategic objectives and budget (revenue)

LIM368 Modimolle-Mookgopong - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
To ensure Integrated and sustainable human settlement	Prosperous community			238	277	396	348	333	333	427	431	416
To develop and maintain an infrastructural system which provides sustainable access to basic services	Acess to basic services			269,554	266,942	248,125	311,073	297,774	297,774	382,095	403,637	414,378
To promote and enforce acceptable environmental practices	Acess to basic services			24,287	28,223	40,340	35,431	33,917	33,917	43,521	45,806	48,210
To Create a conducive environment for businesses to invest and prosper	Sustainable communities			80,295	93,310	133,370	117,141	112,133	112,133	143,886	151,440	159,390
To create a conducive environment for economic growth	Sustainable communities											
To enhance compliane with the MFMA and improve financial viability	Financial sustainablility			83,381	96,896	180,093	158,179	151,416	151,416	194,293	204,493	215,229
To increase institutional cpacity, efficiency and effectiveness	Good governance, active citizenship			262	305	436	383	367	367	470	495	521
To attract, develop and retain human capital	Increased Prodictivity			595	692	989	869	831	831	1,067	1,123	1,182
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	458,613	486,646	603,749	623,423	596,770	596,770	765,759	807,425	839,327

Table 22 MBRR Table SA 5 - Reconciliation of IDP strategic objectives and budget (operating expenditure)

LIM368 Modimolle-Mookgopong - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
To ensure Integrated and sustainable human settlement	Prosperous community			5,867	9,317	8,327	6,764	5,704	5,704	7,177	7,553	7,950
To develop and maintain an infrastructural system which provides sustainable access	Acess to basic services			261,552	415,322	423,485	451,005	380,321	380,321	478,510	507,024	537,580
To promote and enforce acceptable environmental practices	Acess to basic services			58,353	92,659	82,813	67,270	56,727	56,727	71,373	75,120	79,064
To Create a conducive environment for businesses to invest and prosper	Sustainable communities			7,507	11,921	10,654	8,655	7,298	7,298	9,182	9,665	10,172
To create a conducive environment for economic growth	Sustainable communities											
To enhance compliane with the MFMA and improve financial vialility	Financial sustainablility			54,276	86,185	80,203	65,150	54,940	54,940	69,123	72,752	76,572
To increase institutional capacity, efficiency and effectiveness	Good governance, active citizenship			76,712	121,811	108,897	88,459	74,595	74,595	93,853	98,781	103,966
To attract, develop and retain human capital	Increased Prodictivity			15,055	23,905	21,365	17,355	14,635	14,635	18,414	19,380	20,398
Allocations to other priorities												
Total Expenditure			1	479,322	761,122	735,744	704,658	594,221	594,221	747,632	790,275	835,702

Table 23 MBRR Table SA 6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)

LIM368 Modimolle-Mookgopong - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
To ensure Integrated and sustainable human settlement	Prosperous community	A		1,980	–							
To develop and maintain an infrastructural system which provides sustainable access	Acess to basic services	B		82,077	49,264	30,083	49,480	52,483	52,483	70,398	74,367	66,539
To promote and enforce acceptable environmental practices	Acess to basic services	C		3,133	3,797		10,150	10,150	10,150			
Allocations to other priorities			3									
Total Capital Expenditure			1	87,190	53,061	30,083	59,630	62,633	62,633	70,398	74,367	66,539

Table 24 MBRR Table SA 7 Measurable performance objective

LIM368 Modimolle-Mookgopong - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Technical Services										
Roads and StormWater										
Paving										
Paving to be constructed	Kilometers	6	6	6	6	6	6	8	11	9
Stormwater										
Drainage system construction	Meters	10	10	10	10	10	10	12	10	11
Bridges										
Reduce roads backlogs	Meters	500	500	500	500	500	500	650	720	800
Electricity Distribution										
Electrification										
Households to be provided with electricity	Number of households	500	500	500	500	500	500	350	300	500
Water Distribution										
Reticulation										
Number of households to be connected	Number of households	20	20	20	20	20	20	55	35	45
Number of boreholes drilled	Numbers to be drilled	13	13	13	13	13	13	10	10	10
Water treatment works										
Areas to be repaired	Meters	10	10	10	10	10	10	15	13	11
Sewerage										
Waste water treatmentworks										
Areas to be maintained	Meters	20	20	20	20	20	20	15	18	25
Community and Social Services										
Solid Waste Management										
Sub-function 2 - (name)										
Distance of landfillsite constructed	Meters	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Sub-function 3 - (name)										
Insert measure/s description										

Table 25 MBRR Table SA 8 Performance indicators and benchmarks

LIM368 Modimolle-Mookgophong - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1 6%	1 0%	0 4%	0 0%	8 5%	8 5%	0 0%	8 2%	8 2%	8 2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2 7%	2 2%	0 7%	1 5%	10 2%	10 2%	0 0%	10 8%	10 8%	10 8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl transfers and grants and contributions	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	7886 1%	4 1%	10466 3%	10364 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Liquidity											
Current Ratio	Current assets/current liabilities	0 8	0 3	0 8	0 5	1 0	1 0	–	1 3	1 3	1 3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0 8	0 3	0 8	0 5	1 0	1 0	–	1 3	1 3	1 3
Liquidity Ratio	Monetary Assets/Current Liabilities	0 0	0 0	0 2	0 0	0 0	0 0	–	0 0	0 0	0 0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		76 4%	69 2%	100 0%	71 6%	90 0%	90 0%	0 0%	80 5%	75 0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		76 4%	69 2%	100 0%	71 6%	90 0%	90 0%	0 0%	80 5%	75 0%	75 0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	62 9%	47 1%	107 4%	75 3%	111 8%	111 8%	0 0%	114 7%	114 5%	114 3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		-145 7%	-506 0%	1991 3%	-148 9%	1355 1%	1355 1%	0 0%	-594 3%	-266 0%	-173 3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	42 5%	42 8%	37 2%	36 0%	32 4%	32 4%	0 0%	35 7%	36 1%	36 4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	45 7%	45 1%	39 4%	37 9%	34 4%	34 4%		37 7%	38 1%	38 5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5 5%	23 0%	14 7%	15 9%	13 9%	13 9%		4 8%	4 8%	4 8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15 2%	17 3%	12 3%	14 4%	20 4%	20 4%	0 0%	16 7%	16 7%	16 7%
IDP regulation financial viability indicators											
i Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7 5	139 7	23 0	7 6	7 6	7 6	–	21 6	21 6	22 8
ii O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	94 3%	70 8%	181 9%	108 4%	141 7%	141 7%	0 0%	159 1%	159 1%	159 1%
iii Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(4 4)	(1 6)	0 6	(5 7)	0 7	0 7	–	(1 8)	(3 9)	(5 9)

Table 26 MBRR Table SA 9 - Social, economic and demographic statistics and assumptions

LIM368 Modimolle-Mookgopong - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population									112.050	104.153	104.153	104.153
Females aged 5 - 14									19.617	17.796	17.796	17.796
Males aged 5 - 14									19.830	12.465	12.465	12.465
Females aged 15 - 34									17.862	10.953	10.953	10.953
Males aged 15 - 34									19.328	19.255	19.255	19.255
Unemployment									9.716	43.684	43.684	43.684
Monthly household income (no. of households)	1, 12											
No income									2,973	3,129	3,129	3,129
R1 - R1 600									18,978	19,975	19,975	19,975
R1 601 - R3 200									2,837	2,986	2,986	2,986
R3 201 - R6 400									1,556	1,638	1,638	1,638
R6 401 - R12 800									640	674	674	674
R12 801 - R25 600									213	224	224	224
R25 601 - R51 200									61	64	64	64
R52 201 - R102 400									31	32	32	32
R102 401 - R204 800									30	32	32	32
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13								27443.00	27443.00	274432.00	27443.00
Insert description	2											
Household/demographics (000)												
Number of people in municipal area												
Number of poor people in municipal area												
Number of households in municipal area									104.153	104.153	104.153	104.153
Number of poor households in municipal area												
Definition of poor household (R per month)												

Total municipal services	Ref		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	-	-	21,849	22,206	22,206	22,206	-	-	-
		Piped water inside yard (but not in dwelling)	-	-	4,964	5,043	5,043	5,043	-	-	-
	8	Using public tap (at least min.service level)	-	-	1,636	1,667	1,667	1,667	-	-	-
	10	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
		Minimum Service Level and Above sub-total	-	-	28,449	28,916	28,916	28,916	-	-	-
	9	Using public tap (< min.service level)	-	-	287	302	302	302	-	-	-
	10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	257	261	261	261	-	-	-
		Below Minimum Service Level sub-total	-	-	544	563	563	563	-	-	-
		Total number of households	-	-	**28,993**	**29,479**	**29,479**	**29,479**	-	-	-
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	-	-	23,813	24,216	24,216	24,216	-	-	-
		Flush toilet (with septic tank)	-	-	545	554	554	554	-	-	-
		Chemical toilet	-	-	86	87	87	87	-	-	-
		Pit toilet (ventilated)	-	-	1,614	1,641	1,641	1,641	-	-	-
		Other toilet provisions (> min.service level)	-	-	1,947	1,980	1,980	1,980	-	-	-
		Minimum Service Level and Above sub-total	-	-	28,005	28,479	28,479	28,479	-	-	-
		Bucket toilet	-	-	195	198	198	198	-	-	-
		Other toilet provisions (< min.service level)	-	-	262	266	266	266	-	-	-
		No toilet provisions	-	-	527	536	536	536	-	-	-
		Below Minimum Service Level sub-total	-	-	984	1,001	1,001	1,001	-	-	-
		Total number of households	-	-	**28,989**	**29,479**	**29,479**	**29,479**	-	-	-
		Energy:									
		Electricity (at least min.service level)	-	-	13,235	12,953	12,953	12,953	-	-	-
		Electricity - prepaid (min.service level)	-	-	15,555	15,224	15,224	15,224	-	-	-
		Minimum Service Level and Above sub-total	-	-	28,790	28,178	28,178	28,178	-	-	-
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	1,330	1,302	1,302	1,302	-	-	-
		Below Minimum Service Level sub-total	-	-	1,330	1,302	1,302	1,302	-	-	-
		Total number of households	-	-	**30,120**	**29,479**	**29,479**	**29,479**	-	-	-
		Refuse:									
		Removed at least once a week	-	-	22,978	29,479	29,479	29,479	-	-	-
		Minimum Service Level and Above sub-total	-	-	22,978	29,479	29,479	29,479	-	-	-
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	**22,978**	**29,479**	**29,479**	**29,479**	-	-	-

Municipal in-house services	Ref.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Household service targets (000)									
		Water:									
		Piped water inside dwelling			21,849	22,206	22,206	22,206			
		Piped water inside yard (but not in dwelling)			4,964	5,043	5,043	5,043			
	8	Using public tap (at least min.service level)			1,636	1,667	1,667	1,667			
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	28,449	28,916	28,916	28,916	–	–	–
	9	Using public tap (< min.service level)			287	302	302	302			
	10	Other water supply (< min.service level)									
		No water supply			257	261	261	261			
		Below Minimum Service Level sub-total	–	–	544	563	563	563	–	–	–
		Total number of households	–	–	28,993	29,479	29,479	29,479	–	–	–
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)			23,813	24,216	24,216	24,216			
		Flush toilet (with septic tank)			545	554	554	554			
		Chemical toilet			86	87	87	87			
		Pit toilet (ventilated)			1,614	1,641	1,641	1,641			
		Other toilet provisions (> min.service level)			1,947	1,980	1,980	1,980			
		Minimum Service Level and Above sub-total	–	–	28,005	28,479	28,479	28,479	–	–	–
		Bucket toilet			195	198	198	198			
		Other toilet provisions (< min.service level)			262	266	266	266			
		No toilet provisions			527	536	536	536			
		Below Minimum Service Level sub-total	–	–	984	1,001	1,001	1,001	–	–	–
		Total number of households	–	–	28,989	29,479	29,479	29,479	–	–	–
		Energy:									
		Electricity (at least min.service level)			13,235	12,953	12,953	12,953			
		Electricity - prepaid (min.service level)			15,555	15,224	15,224	15,224			
		Minimum Service Level and Above sub-total	–	–	28,790	28,178	28,178	28,178	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources			1,330	1,302	1,302	1,302			
		Below Minimum Service Level sub-total	–	–	1,330	1,302	1,302	1,302	–	–	–
		Total number of households	–	–	30,120	29,479	29,479	29,479	–	–	–
		Refuse:									
		Removed at least once a week			22,978	29,479	29,479	29,479			
		Minimum Service Level and Above sub-total	–	–	22,978	29,479	29,479	29,479	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	22,978	29,479	29,479	29,479	–	–	–

Detail of Free Basic Services (FBS) provided			2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Electricity	Ref	*Location of households for each type of FBS*									
List type of FBS service		Formal settlements - (50 kwh per indigent household per month Rands)			2,684,713	18,708,114	18,708,114	18,708,114	22,892,651	24,094,515	25,359,477
		Number of HH receiving this type of FBS			7,500	17,822	17,822	17,822	17,822	17,822	17,822
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water	Ref	*Location of households for each type of FBS*									
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month Rands)			1,078,309	28,844,824	28,844,824	28,844,824	1,172,249	1,233,792	1,298,566
		Number of HH receiving this type of FBS			7,500	17,822	17,822	17,822	17,822	17,822	17,822
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-
Sanitation	Ref	*Location of households for each type of FBS*									
List type of FBS service		Formal settlements - (free sanitation service to indigent households)			1,075,566	21,670,003	21,670,003	21,670,003	1,762,622	1,855,160	1,952,555
		Number of HH receiving this type of FBS			7,500	17,822	17,822	17,822	17,822	17,822	17,822
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-	-
Refuse Removal	Ref	*Location of households for each type of FBS*									
List type of FBS service		Formal settlements - (removed once a week to indigent households)			2,685,556	18,165,581	18,165,581	18,165,581	2,870,658	2,810,867	2,958,438
		Number of HH receiving this type of FBS			7,500	17,822	17,822	17,822	17,822	17,822	17,822
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-

References

Table 27 MBRR Table SA 10 - Funding measurement

LIM368 Modimolle-Mookgopong Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(143,493)	(87,132)	29,664	(273,479)	28,384	28,384	–	(96,795)	(224,256)	(361,898)
Cash + investments at the yr end less applications - R'000	18(1)b	2	(188,829)	(529,196)	(283,113)	(683,409)	(69,667)	(69,667)	–	1,931	983	976
Cash year end/monthly employee/supplier payments	18(1)b	3	(4.4)	(1.6)	0.6	(5.7)	0.7	0.7	–	(1.8)	(3.9)	(5.9)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(20,709)	(274,475)	(131,995)	(81,235)	2,549	2,549	–	18,127	17,149	3,625
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	9.8%	5.3%	15.5%	2.2%	(6.0%)	(106.0%)	12.2%	(0.8%)	(0.7%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	69.8%	60.4%	90.2%	64.0%	83.9%	83.9%	0.0%	74.3%	69.5%	69.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	14.9%	49.9%	19.7%	6.5%	6.0%	6.0%	0.0%	5.7%	5.7%	5.7%
Capital payments % of capital expenditure	18(1)c;19	8	110.1%	165.6%	35.3%	100.0%	100.0%	100.0%	0.0%	102.7%	102.8%	103.3%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(13.0%)	185.9%	(27.6%)	41.4%	0.0%	(100.0%)	32.8%	5.3%	5.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.5%	7.4%	6.5%	6.7%	6.1%	6.1%	0.0%	2.6%	2.6%	2.6%
Asset renewal % of capital budget	20(1)(vi)	14	53.8%	31.8%	18.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 28 MBRR Table SA11 - Property rates summary

LIM368 Modimolle-Mookgopong - Supporting Table SA11 Property rates summary

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Valuation:	1									
Date of valuation:										
Financial year valuation used				2018	2019			2020		
Municipal by-laws s6 in place? (Y/N)	2			Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)				Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)				No	No			No	No	No
No. of assistant valuers (FTE)	3			5	5			5	5	5
No. of data collectors (FTE)	3			5	5			5	5	5
No. of internal valuers (FTE)	3			–	–			–	–	–
No. of external valuers (FTE)	3			1	1			1	1	1
No. of additional valuers (FTE)	4			–	–			–	–	–
Valuation appeal board established? (Y/N)				Yes	Yes			Yes		
Implementation time of new valuation roll (mths)				48	48			48		
No. of properties	5			26,056	26,056	26,056	26,056	36,298	36,298	36,298
No. of sectional title values	5			–	–	–	–	1,239	1,239	1,239
No. of unreasonably difficult properties s7(2)				–	–	–	–	–	–	–
No. of supplementary valuations				1,801	1,801	1,801	1,801	–	–	–
No. of valuation roll amendments				–	–	–	–	1	1	1
No. of objections by rate payers				–	–	–	–	550	550	550
No. of appeals by rate payers				–	–	–	–	–	–	–
No. of successful objections	8			–	–	–	–	–	–	–
No. of successful objections > 10%	8			–	–	–	–	–	–	–
Supplementary valuation				–	–	–	–	–	–	–
Public service infrastructure value (Rm)	5			17	17	17	17	17	17	17
Municipality owned property value (Rm)				30	30	30	30	745	745	745
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)				0	0	0	0	0	0	0
Valuation reductions-nature reserves/park (Rm)								–	–	–
Valuation reductions-mineral rights (Rm)								–	–	–
Valuation reductions-R15,000 threshold (Rm)				17	17	17	17	1	1	1
Valuation reductions-public worship (Rm)				0	0	0	0	–	–	–
Valuation reductions-other (Rm)								–	–	–
Total valuation reductions:		–	–	17	17	17	17	1	1	1
Total value used for rating (Rm)	5			12,481	12,481	12,481	12,481	17,198	17,198	17,198
Total land value (Rm)	5			–	–	–	–	–	–	–
Total value of improvements (Rm)	5			–	–	–	–	–	–	–
Total market value (Rm)	5			12,536	12,536	12,536	12,536	17,198	17,198	17,198
Rating:										
Residential rate used to determine rate for other categories? (Y/N)				Yes	Yes			Yes		
Differential rates used? (Y/N)	5			Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)				Yes	Yes			Yes	Yes	Yes
Special rating area used? (Y/N)				Yes	Yes			Yes		
Phasing-in properties s21 (number)				0	0			0	0	0
Rates policy accompanying budget? (Y/N)				Yes	Yes			Yes		
Fixed amount minimum value (R'000)				15	15			15		
Non-residential prescribed ratio s19? (%)				8.0%	8.0%			10.0%		
Rate revenue:										
Rate revenue budget (R '000)	6			103,157	103,157	103,157	103,157	143,418	150,947	158,872
Rate revenue expected to collect (R'000)	6			75,305	75,305	75,305	75,305	107,563	105,663	111,211
Expected cash collection rate (%)				73.0%	73.0%	73.0%	73.0%	75.0%	78.0%	80.0%
Special rating areas (R'000)	7							–		
Rebates, exemptions - indigent (R'000)				2,023	2,023	2,023	2,023	234,044	250,609	263,766
Rebates, exemptions - pensioners (R'000)				59	59	59	59	–		
Rebates, exemptions - bona fide farm (R'000)								4,065	4,100	4,150
Rebates, exemptions - other (R'000)				9,204	9,204	9,204	9,204	–	–	–
Phase-in reductions/discounts (R'000)								–	–	–
Total rebates,exemptns,reductns,discs (R'000)		–	–	11,286	11,286	11,286	11,286	238,109	254,709	267,916

Table 29 MBRR Table SA12a - Property Rates by Category

LIM368 Modimolle-Mookgopong - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2019/20																	
Valuation:																	
No. of properties		24,412	53	1,022	4,347	351	4,548	66	1,461	–	50	–	–	–	–	79	9
No. of sectional title property values		1,239	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		1	1	1	1	1	1	1	1	1	1	1	–	–	–	1	1
No. of objections by rate-payers		360	5	10	125	–	–	–	50	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	360	5	10	125	–	–	–	50	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation (select)		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	

Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6	3,053	1,747	3,956	1,037	845	595	58	-	-	134	154	-	-	902		
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total market value (Rm)	6	3,306	1,892	4,283	1,123	915	644	62	-	-	146	166	-	-	-		
Rating:																	
Average rate	3																
Rate revenue budget (R '000)		58,147	152	35,732	16,092	7,181	-	-	9,087	-	1,151	-	-	-	-	-	1,034
Rate revenue expected to collect (R'000)		38,959	102	23,940	10,781	4,811	-	-	6,088	-	771	-	-	-	-	-	693
Expected cash collection rate (%)	4	67.0%	67.0%	67.0%	67.0%	67.0%			67.0%								
Special rating areas (R'000)																	

Table 32 MBRR Table SA12b - Property Rates by Category

LIM368 Modimolle-Mookgopong - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2020/21																	
Valuation:																	
No. of properties		22,235	53	977	3,084	351	4,548	138	1,461		50					67	7
No. of sectional title property values		1,239															
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments		1	1	1	1	1	1	1	1	1	1	1	-	-	-	1	1
No. of objections by rate-payers		360	5	10	125	-	-	-	50	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	360	5	10	125	-	-	-	50	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Years since last valuation **(select)**		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Frequency of valuation **(select)**		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used **(select)**		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation **(select)**		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	

Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6	3,053	1,747	3,956	1,037	845	595	58	-	-	134	154	-	-	902		
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total market value (Rm)	6	3,306	1,892	4,283	1,123	915	644	62	-	-	146	166	-	-	-		
Rating:																	
Average rate	3																
Rate revenue budget (R '000)		73,829	3,436	35,944	22,191	5,485	-	57	904	-	-	-				645	926
Rate revenue expected to collect (R'000)		55,372	2,577	26,958	16,643	4,114	-	43	678	-	-	-	-	-	-	484	694
Expected cash collection rate (%)	4	75.0%	75.0%	75.0%	75.0%	75.0%		75.0%	75.0%							75.0%	75.0%
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)		234,044															
Rebates, exemptions - pensioners (R'000)		-															
Rebates, exemptions - bona fide farm. (R'000)		4,065															
Rebates, exemptions - other (R'000)		-															
Phase-in reductions/discounts (R'000)		-															
Total rebates,exemptns,reductns,discs (R'000)																	

Table 30 MBRR Table SA 13a – Service Tariffs by category

LIM368 Modimolle-Mookgopong - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Property rates *(rate in the Rand)*	1								
Residential properties			0.0102	0.0108	0.0113	0.0119	0.0126	0.0132	0.0139
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used			0.0019	0.0020	0.0020	0.0021	0.0022	0.0023	0.0025
Farm properties - not used									
Industrial properties							0.0120	0.0126	0.0133
Business and commercial properties			0.0192	0.0205	0.0217	0.0230	0.0242	0.0255	0.0269
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties			0.0192	0.0205	0.0217	0.0230	0.0242	0.0255	0.0269
Municipal properties									
Public service infrastructure			0.0019	0.0020	0.0021	0.0022	0.0024	0.0025	0.0026
Privately owned towns serviced by the			0.0102	0.0108	0.0108	0.0114	0.0126	0.0132	0.0139
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate									
Indigent rebate or exemption						4,000	4,000	4,500	5,000
Pensioners/social grants rebate or exemption						4,000	4,000	4,500	5,000
Temporary relief rebate or exemption						-			
Bona fide farmers rebate or exemption						-			
Other rebates or exemptions	2					-			
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			-	60	67	74			
Service point - vacant land *(Rands/month)*									
Water usage - flat rate tariff *(c/kl)*									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		0 - 10 kl	1,057	1,163	1,303	1,433	16	16.89	17.78
Water usage - Block 2 (c/kl)		11 - 20 kl	1,220	1,342	1,503	1,653	-	-	-
Water usage - Block 3 (c/kl)		21 - 30 kl	-	1,792	2,007	2,208	19	19.49	20.51
Water usage - Block 4 (c/kl)		31 kl and above	-	1,962	2,631	2,894	25	26.02	27.39
Other	2					29	32	34.12	35.91
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			220	260	276	304	115	121.21	127.57
Service point - vacant land *(Rands/month)*									
Waste water - flat rate tariff *(c/kl)*									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			138	117	125	134			
Service point - vacant land *(Rands/month)*									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter *(c/kwh)*									
Flat rate tariff - prepaid *(c/kwh)*									
Meter - IBT Block 1 (c/kwh)		0 - 50 kWh	84	87	91	105.91	1.10	1.16	1.22
Meter - IBT Block 2 (c/kwh)		51 - 350 kWh	107	112	118	136.17	1.41	1.49	1.56
Meter - IBT Block 3 (c/kwh)		351 - 600 kWh	150	163	165	191.65	1.99	2.09	2.20
Meter - IBT Block 4 (c/kwh)		601 kWh and above	177	194	194	224.94	2.33	2.46	2.58
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		0 - 50 kWh	84	88	91	105.91	1.26	1.33	1.40
Prepaid - IBT Block 2 (c/kwh)		51 - 350 kWh	108	112	118	136.17	1.62	1.71	1.80
Prepaid - IBT Block 3 (c/kwh)		351 - 600 kWh	152	166	165	190.78	2.28	2.39	2.52
Prepaid - IBT Block 4 (c/kwh)		601 kWh and above	172	192	194	224.32	2.68	2.82	2.96
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee									
80l bin - once a week			148	102	107	118	126	133	140
250l bin - once a week									

Table 33b MBRR Table SA 13b – Service Tariffs by category

LIM368 Modimolle-Mookgopong - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Exemptions, reductions and rebates *(Rands)*									
[Insert lines as applicable]									
Water tariffs									
Water usage - Block 4 (c/kl)		31 kl and above (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)		1,962		29			
Waste water tariffs									
Erven charge - Block 1 (c/kl)		Measuring up to 500m² in	3,581	4,243		4,731	53.18	55.98	58.91
Erven charge - Block 2 (c/kl)		Measuring up to 1000m² in	4,774	5,657		6,308	70.91	74.63	78.55
Erven charge - Block 3 (c/kl)		Measuring up to 2000m² in	6,005	7,116		7,935	89.20	93.88	98.81
Erven charge - Block 4 (c/kl)		Plus: For every additional (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)	2,523	2,990		3,334	37.48	39.45	41.52
Electricity tariffs									
Meter - IBT Block 1 (c/kwh)		0 - 50 kWh	86	87		105.91	1.10	1.16	1.22
Meter - IBT Block 2 (c/kwh)		51 - 350 kWh	111	112		136.17	1.41	1.49	1.56
Meter - IBT Block 3 (c/kwh)		351 - 600 kWh	148	163		191.65	1.99	2.09	2.20
Meter - IBT Block 4 (c/kwh)		601 kWh and above	176	194		224.94	2.33	2.46	2.58
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		0 - 50 kWh	87	88		105.91	1.26	1.33	1.40
Prepaid - IBT Block 2 (c/kwh)		51 - 350 kWh	111	112		136.17	1.62	1.71	1.80
Prepaid - IBT Block 3 (c/kwh)		351 - 600 kWh	151	166		190.78	2.28	2.39	2.52
Prepaid - IBT Block 4 (c/kwh)		601 kWh and above (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)	179	192		224.32	2.68	2.82	2.96

Table 34 MBRR Table SA 14 – Households bills

LIM368 Modimolle-Mookgopong - Supporting Table SA14 Household bills

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates			602.31	668.57	706.41	706.41	706.41	5%	744.56	784.76	825.96
Electricity: Basic levy			117.20	125.22	145.04	145.04	145.04	7%	155.00	161.13	169.59
Electricity: Consumption			1,489.72	1,591.62	1,843.57	1,843.57	1,843.57	6%	1,950.00	2,048.06	2,155.58
Water: Basic levy			60.00	67.20	73.92	73.92	73.92	5%	77.91	82.12	86.43
Water: Consumption			429.70	481.26	529.39	529.39	529.39	6%	560.00	588.10	618.98
Sanitation			331.45	351.34	369.61	369.61	369.61	5%	389.57	410.61	432.16
Refuse removal			101.85	106.94	112.50	112.50	112.50	5%	118.58	124.98	131.54
Other											
sub-total		-	3,132.23	3,392.15	3,780.44	3,780.44	3,780.44	5.7%	3,995.61	4,199.76	4,420.24
VAT on Services			361.91	389.75	439.35	439.35	439.35		464.41	488.08	513.70
Total large household bill:		-	3,494.14	3,781.90	4,219.79	4,219.79	4,219.79	5.7%	4,460.02	4,687.83	4,933.95
% increase/-decrease			-	8.2%	11.6%	-	-		5.7%	5.1%	5.3%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates			421.98	447.30	472.62	472.62	472.62	5%	498.14	525.04	552.60
Electricity: Basic levy			117.20	125.22	145.04	145.04	145.04	5%	152.87	161.13	169.59
Electricity: Consumption			602.13	643.32	745.16	745.16	745.16	9%	811.00	827.81	871.27
Water: Basic levy			60.00	67.20	73.92	73.92	73.92	8%	80.00	82.12	86.43
Water: Consumption			340.10	380.92	419.01	419.01	419.01	5%	441.64	465.49	489.93
Sanitation			316.86	335.87	353.34	353.34	353.34	8%	380.00	392.53	413.13
Refuse removal			101.85	106.94	112.50	112.50	112.50	5%	118.58	124.98	131.54
Other											
sub-total		-	1,960.12	2,106.77	2,321.59	2,321.59	2,321.59	6.9%	2,482.23	2,579.09	2,714.49
VAT on Services			213.14	230.14	277.35	277.35	277.35		297.61	308.11	324.28
Total small household bill:		-	2,173.26	2,336.91	2,598.93	2,598.93	2,598.93	7.0%	2,779.84	2,887.19	3,038.77
% increase/-decrease			-	7.5%	11.2%	-	-		7.0%	3.9%	5.2%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption			329.73	352.28	408.05	408.05	408.05	5.4%	430.08	453.30	477.10
Water: Basic levy			-						-	-	
Water: Consumption			134.20	150.30	174.09	174.09	174.09	5.4%	183.49	193.40	203.56
Sanitation											
Refuse removal											
Other											
sub-total		-	463.93	502.58	582.14	582.14	582.14	5.4%	613.57	646.71	680.66
VAT on Services			69.59	75.39	87.32	87.32	87.32		92.04	97.01	102.10
Total small household bill:		-	533.52	577.97	669.46	669.46	669.46	5.4%	705.61	743.71	782.76
% increase/-decrease			-	8.3%	15.8%	-	-	(100.0%)	5.4%	5.4%	5.3%

References

Table 31 MBRR Table SA 15 - Investment particulars by type

LIM368 Modimolle-Mookgopong - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		1,028	1,404	1,031	1,031	1,033	1,033	1,033	1,040	1,048
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	1,028	1,404	1,031	1,031	1,033	1,033	1,033	1,040	1,048
Consolidated total:		1,028	1,404	1,031	1,031	1,033	1,033	1,033	1,040	1,048

Table 32 MBRR Table SA16 - Investment particulars by maturity

LIM368 Modimolle-Mookgopong - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate '	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality												
FN3 - 710 5722 0470		12 months	Guarantee	Yes	Variable	0.074	31 March 2021	900	65	(65)		900
NTK-shares			Shares					133	4	-	-	137
												-
												-
												-
												-
												-
Municipality sub-total								1,033		(65)	-	1,037
TOTAL INVESTMENTS AND INTEREST	1							1,033		(65)	-	1,037

Table 33 MBRR Table SA 17 – Borrowing

LIM368 Modimolle-Mookgopong - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		38,014	20	50,580	50,085	-	-	-	-	-
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	38,014	20	50,580	50,085	-	-	-	-	-
Total Borrowing	1	38,014	20	50,580	50,085	-	-	-	-	-

Table 34 MBRR Table SA 18 - Transfers and grant receipts

LIM368 Modimolle-Mookgopong - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		89,355	89,675	107,090	115,923	46,410	46,410	123,439	131,131	139,298
Local Government Equitable Share		77,122	77,695	100,804	109,995	40,482	40,482	117,790	126,359	134,312
Finance Management		2,898	4,045	4,145	3,000	3,000	3,000	2,500	2,700	2,800
EPWP Incentive										
Expanded Public Works Programme		2,302	1,160	1,021	1,000	1,000	1,000	1,233	–	–
Municipal Demarcation Transfer		5,556	4,566	–						
Municipal Infrastructure Grant (MIG) 5%		1,477	2,210	1,120	1,928	1,928	1,928	1,916	2,072	2,186
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		57	–	–	–	–	–	–	–	–
Skills Education and Training		57								
Total Operating Transfers and Grants	5	89,412	89,675	107,090	115,923	46,410	46,410	123,439	131,131	139,298
Capital Transfers and Grants										
National Government:		87,190	129,981	62,826	59,630	59,630	59,630	70,401	74,367	66,539
Municipal Infrastructure Grant (MIG)		47,561	41,981	27,826	36,630	36,630	36,630	36,401	39,367	41,539
Water Services Infrastructural Grant (WSIG)		34,057	80,000	25,000						
Integrated National Electrification Programme (INE		5,572	8,000	10,000	23,000	23,000	23,000	34,000	35,000	25,000
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Skills Education and T										
Total Capital Transfers and Grants	5	87,190	129,981	62,826	59,630	59,630	59,630	70,401	74,367	66,539
TOTAL RECEIPTS OF TRANSFERS & GRANTS		176,602	219,656	169,916	175,553	106,040	106,040	193,840	205,498	205,837

Table 35 MBRR Table SA 19 - Expenditure on transfers and grant programme

LIM368 Modimolle-Mookgopong - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		89,355	103,043	103,043	115,923	46,314	46,314	123,439	131,131	139,298
Local Government Equitable Share		77,122	93,385	93,385	109,995	40,482	40,482	117,790	126,359	134,312
Finance Management		2,898	4,044	4,044	3,000	3,000	3,000	2,500	2,700	2,800
EPWP Incentive										
Expanded Public Works Programme		2,302	1,160	1,160	1,000	1,000	1,000	1,233	-	-
Municipal Demarcation Transfer		5,556	2,627	2,627						
Municipal Infrastructure Grant (MIG) 5%		1,477	1,827	1,827	1,928	1,832	1,832	1,916	2,072	2,186
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Skills Education and Training										
Total operating expenditure of Transfers and Grants		89,355	103,043	103,043	115,923	46,314	46,314	123,439	131,131	139,298
Capital expenditure of Transfers and Grants										
National Government:		84,289	51,647	51,648	59,630	57,798	57,798	70,401	74,367	66,539
Municipal Infrastructure Grant (MIG)		39,708	24,069	24,069	36,630	34,798	34,798	36,401	39,367	41,539
Water Services Infrastructural Grant (WSIG)		38,397	22,177	22,177	-	-	-			
Integrated National Electrification Programme (INE		6,185	5,402	5,402	23,000	23,000	23,000	34,000	35,000	25,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Skills Education and T										
Total capital expenditure of Transfers and Grants		84,289	51,647	51,648	59,630	57,798	57,798	70,401	74,367	66,539
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		173,644	154,690	154,691	175,553	104,112	104,112	193,840	205,498	205,837

Table 36 MBRR Table SA 20 - Reconciliation of transfers, grant receipts and unspent funds

LIM368 Modimolle-Mookgopong - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		87,110	101,883	175,458	115,923	40,482	40,482	123,439	131,131	139,298
Conditions met - transferred to revenue		87,110	101,883	175,458	115,923	40,482	40,482	123,439	131,131	139,298
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		2,302	1,160							
Conditions met - transferred to revenue		2,302	1,160	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		89,412	103,043	175,458	115,923	40,482	40,482	123,439	131,131	139,298
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year							75,000			
Current year receipts		87,190	53,061	29,748	59,630	62,633	62,633	70,398	74,367	66,539
Conditions met - transferred to revenue		87,190	53,061	29,748	59,630	62,633	62,633	70,398	74,367	66,539
Conditions still to be met - transferred to liabilities							75,000			
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		87,190	53,061	29,748	59,630	62,633	62,633	70,398	74,367	66,539
Total capital transfers and grants - CTBM	2	-	-	-	-	-	75,000	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		176,602	156,104	205,206	175,553	103,115	103,115	193,837	205,498	205,837
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	75,000	-	-	-

Table 37 MBRR Table SA21 - Transfers and grants made by the municipality

LIM368 Modimolle-Mookgopong - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Transfers to Entities/Other External Mechanisms											
Free Basic Services(ESKOM)	2				1,030				840	1,000	1,500
Total Cash Transfers To Entities/Ems'		-	-	-	1,030	-	-	-	840	1,000	1,500
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	1,030	-	-	-	840	1,000	1,500
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	1,030	-	-	-	840	1,000	1,500

Table 38 MBRR Table SA 22 - Summary councilor and staff benefits

LIM368 Modimolle-Mookgopong - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		1,724	5,791	6,785	6,424	6,424	6,424	9,318	9,935	10,593
Pension and UIF Contributions		895	751	881	1,323	1,323	1,323	1,406	1,494	1,587
Medical Aid Contributions		251	330	283	473	473	473	503	534	568
Motor Vehicle Allowance		2,506	2,180	2,116	1,448	1,448	1,448	1,539	1,635	1,737
Cellphone Allowance		591	563	1,131	822	956	956	1,016	1,079	1,147
Housing Allowances				–	–	–	–	–	–	–
Other benefits and allowances		6,013	370	959	141	141	141	150	159	169
Sub Total - Councillors		11,980	9,985	12,154	10,632	10,766	10,766	13,931	14,837	15,801
% increase	4		(16.6%)	21.7%	(12.5%)	1.3%	–	29.4%	6.5%	6.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		8,361	4,204	4,580	3,551	3,551	3,551	3,773	4,008	4,259
Pension and UIF Contributions		1,600	716	780	435	435	435	463	492	522
Medical Aid Contributions		422	41	44	42	42	42	45	48	51
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	1,906	1,216	1,325	744	744	744	790	840	892
Cellphone Allowance	3	163	111	121	–	–	–	–	–	–
Housing Allowances	3	15	–	–	–	–	–	–	–	–
Other benefits and allowances	3	600	56	61	58	58	58	62	66	70
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		13,067	6,343	6,910	4,831	4,831	4,831	5,133	5,454	5,794
% increase	4		(51.5%)	8.9%	(30.1%)	–	–	6.3%	6.3%	6.2%
Other Municipal Staff										
Basic Salaries and Wages		94,827	116,418	126,768	123,701	101,074	101,074	153,126	162,696	172,865
Pension and UIF Contributions		18,251	24,662	25,637	24,047	22,360	22,360	30,640	32,555	34,590
Medical Aid Contributions		6,095	8,172	8,903	8,824	7,440	7,440	10,196	10,833	11,510
Overtime		8,048	11,626	7,475	7,106	10,336	10,336	10,982	11,668	12,397
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	7,175	8,586	9,354	11,981	10,188	10,188	13,961	14,834	15,761
Cellphone Allowance	3	1,138	1,014	716	–	331	331	453	482	512
Housing Allowances	3	664	781	601	993	744	744	1,020	1,083	1,151
Other benefits and allowances	3	7,634	1,789	9,074	16,053	7,630	7,630	10,455	11,729	13,123
Payments in lieu of leave		772	1,576	1,718	1,381	1,381	1,381	1,892	2,010	2,136
Long service awards		904	1,262	1,375	1,353	4,841	4,841	6,634	7,049	7,489
Post-retirement benefit obligations	6	476	3,895	4,244	2,714	2,714	2,714	3,719	3,952	4,199
Sub Total - Other Municipal Staff		145,986	179,783	195,865	198,152	169,039	169,039	243,078	258,891	275,733
% increase	4		23.2%	8.9%	1.2%	(14.7%)	–	43.8%	6.5%	6.5%
Total Parent Municipality		171,033	196,111	214,929	213,614	184,635	184,635	262,142	279,181	297,328
			14.7%	9.6%	(0.6%)	(13.6%)	–	42.0%	6.5%	6.5%
TOTAL SALARY, ALLOWANCES & BENEFITS		171,033	196,111	214,929	213,614	184,635	184,635	262,142	279,181	297,328
% increase	4		14.7%	9.6%	(0.6%)	(13.6%)	–	42.0%	6.5%	6.5%
TOTAL MANAGERS AND STAFF	5,7	159,053	186,126	202,775	202,983	173,870	173,870	248,211	264,344	281,527

Table 39 MBRR Table SA 23 - Salaries, allowances & benefits (political office bearers/cllrs/snr managers

LIM368 Modimolle-Mookgopong - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior man

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contribution 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		448,419	61,658	212,694			722,770
Chief Whip			420,393	57,804	201,951			680,148
Executive Mayor			560,525	77,072	255,668			893,265
Deputy Executive Mayor			-	-	-			-
Executive Committee			1,009,073	215,095	625,689			1,849,857
Total for all other councillors			4,892,524	1,957,010	2,935,515			9,785,048
Total Councillors	8	-	7,330,934	2,368,639	4,231,516			13,931,088
Senior Managers of the Municipality	5							
Municipal Manager (MM)			-	-	-	-		-
Chief Finance Officer			937,584	93,998	127,500	-		1,159,083
Manager: Technincal Services			651,653	139,940	160,724	-		952,317
Manager: Social and Community Services			713,267	146,060	126,044	-		985,371
Manager: Corporate Services			906,154	-	265,348	-		1,171,502
Manager: Planning and Economic Development			764,141	248,804	191,250	-		1,204,195
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	3,972,798	628,802	870,867	-		5,472,467
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	11,303,732	2,997,441	5,102,383	-		19,403,555

Table 40 MBRR Table SA 24 - Summary of personnel numbers

LIM368 Modimolle-Mookgopong - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		28	3	25	28	3	25	28	3	25
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5									
Municipal Manager and Senior Managers	3	3	–	6	6	–	6	6	–	6
Other Managers	7	16	16	–	16	16	–	16	16	–
Professionals		43	40	3	43	40	3	50	46	3
Finance		22	22	–	22	22	–	22	21	–
Spatial/town planning		3	3	–	3	3	–	3	2	–
Information Technology		3	2	1	3	2	1	3	2	1
Roads		1	1	–	1	1	–	3	3	–
Electricity		3	3	–	3	3	–	3	3	–
Water		1	1	–	1	1	–	3	3	–
Sanitation		1	1	–	1	1	–	3	3	–
Refuse		1	1	–	1	1	–	2	3	–
Other		8	6	2	8	6	2	8	6	2
Technicians		259	239	20	259	239	20	188	169	20
Finance		71	65	6	71	65	6	–	–	6
Spatial/town planning		6	6	–	6	6	–	6	6	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		23	23	–	23	23	–	23	23	–
Electricity		35	35	–	35	35	–	35	30	–
Water		46	40	6	46	40	6	46	40	6
Sanitation		30	27	3	30	27	3	30	27	3
Refuse		32	28	4	32	28	4	32	28	4
Other		15	14	1	15	14	1	15	14	1
Clerks (Clerical and administrative)		95	91	4	95	91	4	156	142	4
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		1	1	–	1	1	–	1	1	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		50	50	–	50	50	–	50	50	–
Elementary Occupations		108	108	–	108	108	–	108	108	–
TOTAL PERSONNEL NUMBERS	9	603	548	58	606	548	58	603	535	58
% increase					0.5%	–	–	(0.5%)	(2.4%)	–
Total municipal employees headcount	6, 10	603	545	58	603	545	58	603	535	58
Finance personnel headcount	8, 10	93	87	6	93	87	6	93	87	6
Human Resources personnel headcount	8, 10	15	14	1	15	14	1	15	14	1

Table 41 MBRR Table SA25 - Budgeted monthly revenue and expenditure

LIM368 Modimolle-Mookgopong - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source																
Property rates		11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	143,418	150,947	158,872
Service charges - electricity revenue		18,590	18,602	18,592	18,587	18,582	18,607	18,589	18,484	18,493	18,480	18,590	18,885	223,081	234,793	247,119
Service charges - water revenue		6,664	6,670	6,675	6,681	6,686	6,692	6,687	6,631	6,626	6,620	6,614	6,724	79,969	84,167	88,586
Service charges - sanitation revenue		2,683	2,678	2,683	2,689	2,694	2,700	2,694	2,688	2,683	2,678	2,683	2,645	32,197	33,887	35,666
Service charges - refuse revenue		1,804	1,810	1,815	1,820	1,825	1,831	1,826	1,819	1,815	1,810	1,805	1,667	21,646	22,783	23,979
Rental of facilities and equipment		74	75	77	78	83	78	77	75	75	70	63	65	891	938	987
Interest earned - external investments		50	53	55	58	61	64	51	35	32	40	54	47	600	632	665
Interest earned - outstanding debtors		4,083	4,287	4,373	4,417	5,300	4,353	3,853	3,513	4,353	3,973	4,353	2,139	48,998	51,552	54,221
Dividends received													-	-	-	-
Fines, penalties and forfeits		63	64	66	67	69	62	60	59	64	62	61	55	750	789	831
Licences and permits		353	359	364	370	375	369	364	358	353	347	341	286	4,239	4,461	4,695
Agency services													-	-	-	-
Transfers and subsidies		74,063					37,032			12,344			-	123,439	131,131	139,298
Other revenue		1,344	1,355	1,365	1,375	1,386	1,396	1,385	1,375	1,365	1,354	1,343	1,087	16,131	16,978	17,869
Gains													-	-	-	-
Total Revenue (excluding capital transfers and cont		121,723	47,904	48,016	48,092	49,011	85,135	47,538	46,990	60,153	47,386	47,861	45,550	695,358	733,058	772,788
Expenditure By Type																
Employee related costs		20,684	20,726	20,767	20,809	20,850	20,892	20,934	20,976	21,018	21,060	21,102	18,395	248,211	264,345	281,527
Remuneration of councillors		1,161	1,163	1,166	1,168	1,170	1,173	1,175	1,177	1,180	1,182	1,184	1,032	13,931	14,837	15,801
Debt impairment		2,383	2,388	2,392	2,397	2,402	2,407	2,412	2,416	2,421	2,426	2,431	2,119	28,595	30,096	31,676
Depreciation & asset impairment		-	-	-	-	-	13,664	-	-	-	-	-	40,992	54,655	57,525	60,545
Finance charges		5,130	5,140	5,150	5,161	5,171	5,181	5,192	5,202	5,212	5,223	5,233	4,562	61,558	64,789	68,191
Bulk purchases		18,035	18,072	18,108	18,144	18,180	18,217	18,253	18,289	18,326	18,363	18,399	16,040	216,425	227,788	239,747
Other materials		618	619	620	621	623	624	625	626	628	629	630	549	7,441	7,800	8,209
Contracted services		5,372	5,383	5,393	5,404	5,415	5,426	5,437	5,448	5,459	5,469	5,480	4,777	64,464	67,848	71,410
Transfers and subsidies		70	70	70	70	71	71	71	71	71	71	71	62	840	1,000	1,500
Other expenditure		4,295	4,304	4,312	4,321	4,330	4,338	4,347	4,356	4,364	4,373	4,382	3,820	51,542	54,248	57,096
Losses													-	-	-	-
Total Expenditure		57,748	57,864	57,979	58,095	58,211	71,992	58,444	58,561	58,679	58,796	58,913	92,349	747,632	790,275	835,702
Surplus/(Deficit)		63,975	(9,960)	(9,963)	(10,003)	(9,200)	13,143	(10,907)	(11,571)	1,474	(11,410)	(11,053)	(46,799)	(52,274)	(57,218)	(62,913)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		42,241					21,120						7,040	70,401	74,367	66,539
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													-	-	-	-
Transfers and subsidies - capital (in-kind - all)													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		106,216	(9,960)	(9,963)	(10,003)	(9,200)	34,263	(10,907)	(11,571)	1,474	(11,410)	(11,053)	(39,759)	18,127	17,149	3,625
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	106,216	(9,960)	(9,963)	(10,003)	(9,200)	34,263	(10,907)	(11,571)	1,474	(11,410)	(11,053)	(39,759)	18,127	17,149	3,625

Table 42 MBRR Table SA 26 - Budgeted monthly revenue and expenditure (municipal vote)

LIM368 Modimolle-Mookgopong - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote																
Vote 1 - Public Office Bearers													-	-	-	-
Vote 2 - Municipal Manager		2	2	2	2	2	2	2	2	2	2	2	2	21	23	24
Vote 3 - Budget and Treasury		17,308	17,343	17,378	17,412	17,447	17,482	17,517	17,552	17,587	17,622	17,658	15,393	207,700	218,604	230,081
Vote 4 - Planning and Economic Development		33,666	1,276	1,276	1,276	1,276	37,032	1,276	1,276	39,000	1,276	1,276	1,276	121,180	128,753	136,796
Vote 5 - Technical Services		42,241	37,538	33,367	29,660	26,364	46,120	23,435	20,831	48,702	41,662	22,674	35,650	408,244	429,911	440,711
Vote 6 - Corporate Services		8	8	8	8	8	8	8	8	8	8	8	7	98	103	108
Vote 7 - Community and Social Services		2,376	2,381	2,386	2,391	2,395	2,400	2,405	2,410	2,415	2,419	2,424	2,113	28,516	30,031	31,608
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		95,601	58,548	54,416	50,749	47,493	103,044	44,643	42,079	107,714	62,990	44,042	54,441	765,759	807,425	839,327
Expenditure by Vote to be appropriated																
Vote 1 - Public Office Bearers		1,673	1,676	1,680	1,683	1,686	1,690	1,693	1,697	1,700	1,703	1,707	1,488	20,076	21,130	22,258
Vote 2 - Municipal Manager		2,187	2,191	2,196	2,200	2,204	2,209	2,213	2,218	2,222	2,227	2,231	1,945	26,243	27,621	29,071
Vote 3 - Budget and Treasury		7,311	7,326	7,341	7,355	7,370	7,385	7,399	7,414	7,429	7,444	7,459	6,502	87,736	92,342	97,190
Vote 4 - Planning and Economic Development		1,856	1,860	1,864	1,867	1,871	1,875	1,879	1,882	1,886	1,890	1,894	1,651	22,274	23,443	24,674
Vote 5 - Technical Services		36,384	36,457	36,530	36,603	36,676	36,749	36,823	36,897	36,970	37,044	37,118	32,358	436,609	460,531	485,156
Vote 6 - Corporate Services		5,263	5,274	5,284	5,295	5,305	5,316	5,327	5,337	5,348	5,359	5,369	4,681	63,159	66,474	69,964
Vote 7 - Community and Social Services		7,628	7,643	7,659	7,674	7,689	7,705	7,720	7,735	7,751	7,766	7,782	6,784	91,537	98,735	107,389
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		62,303	62,427	62,552	62,677	62,803	62,928	63,054	63,180	63,307	63,433	63,560	55,408	747,632	790,275	835,702
Surplus/(Deficit) before assoc.		33,299	(3,879)	(8,136)	(11,929)	(15,310)	40,116	(18,411)	(21,101)	44,407	(443)	(19,518)	(967)	18,127	17,149	3,625
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	33,299	(3,879)	(8,136)	(11,929)	(15,310)	40,116	(18,411)	(21,101)	44,407	(443)	(19,518)	(967)	18,127	17,149	3,625

Table 43 MBRR Table SA 27 - Budgeted monthly revenue and expenditure (standard classification)

LIM368 Modimolle-Mookgopong - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional																
Governance and administration		17,318	17,353	17,388	17,422	17,457	17,492	17,527	17,562	17,597	17,632	17,668	15,402	207,819	218,730	230,213
Executive and council													-	-	-	-
Finance and administration		17,318	17,353	17,388	17,422	17,457	17,492	17,527	17,562	17,597	17,632	17,668	15,402	207,819	218,730	230,213
Internal audit													-	-	-	-
Community and public safety		572	574	575	576	577	578	579	581	582	583	584	509	6,870	7,230	7,591
Community and social services		154	154	155	155	155	155	156	156	156	157	157	137	1,847	1,944	2,046
Sport and recreation		5	5	5	5	5	5	5	5	5	5	6	5	65	68	72
Public safety		413	414	415	416	416	417	418	419	420	421	421	367	4,958	5,218	5,473
Housing													-	-	-	-
Health													-	-	-	-
Economic and environmental services		16,004	16,036	16,068	16,100	16,132	16,164	16,197	16,229	16,261	16,294	16,327	14,233	192,043	203,606	203,846
Planning and development		15,965	15,997	16,029	16,061	16,093	16,125	16,158	16,190	16,222	16,255	16,287	14,198	191,581	203,120	203,334
Road transport		38	39	39	39	39	39	39	39	39	39	39	34	462	486	512
Environmental protection													-	-	-	-
Trading services		29,919	29,979	30,039	30,099	30,159	30,219	30,280	30,340	30,401	30,462	30,523	26,608	359,027	377,858	397,677
Energy sources		18,742	18,779	18,817	18,855	18,892	18,930	18,968	19,006	19,044	19,082	19,120	16,668	224,902	236,709	249,136
Water management		6,690	6,704	6,717	6,730	6,744	6,757	6,771	6,784	6,798	6,812	6,825	5,950	80,282	84,497	88,933
Waste water management		2,683	2,688	2,694	2,699	2,705	2,710	2,715	2,721	2,726	2,732	2,737	2,386	32,197	33,887	35,666
Waste management		1,804	1,807	1,811	1,815	1,818	1,822	1,826	1,829	1,833	1,837	1,840	1,604	21,646	22,765	23,941
Other													-	-	-	-
Total Revenue - Functional		63,813	63,941	64,069	64,197	64,325	64,454	64,583	64,712	64,841	64,971	65,101	56,751	765,759	807,425	839,327
Expenditure - Functional																
Governance and administration		16,434	16,467	16,500	16,533	16,566	16,599	16,633	16,666	16,699	16,733	16,766	14,616	197,213	207,567	218,464
Executive and council		2,737	2,742	2,748	2,753	2,759	2,764	2,770	2,775	2,781	2,786	2,792	2,434	32,840	34,564	36,379
Finance and administration		13,293	13,320	13,346	13,373	13,400	13,426	13,453	13,480	13,507	13,534	13,561	11,822	159,516	167,891	176,705
Internal audit		405	406	406	407	408	409	410	410	411	412	413	360	4,857	5,111	5,380
Community and public safety		4,642	4,652	4,661	4,670	4,680	4,689	4,698	4,708	4,717	4,727	4,736	4,129	55,708	58,633	61,711
Community and social services		973	975	977	979	981	983	985	987	989	991	993	865	11,675	12,288	12,933
Sport and recreation		1,686	1,689	1,692	1,696	1,699	1,703	1,706	1,709	1,713	1,716	1,720	1,499	20,228	21,290	22,408
Public safety		1,984	1,988	1,992	1,996	2,000	2,004	2,008	2,012	2,016	2,020	2,024	1,764	23,805	25,055	26,370
Housing													-	-	-	-
Health													-	-	-	-
Economic and environmental services		4,976	4,986	4,996	5,006	5,016	5,026	5,036	5,046	5,056	5,066	5,076	4,425	59,711	62,845	66,145
Planning and development		1,856	1,860	1,864	1,867	1,871	1,875	1,879	1,882	1,886	1,890	1,894	1,651	22,274	23,443	24,674
Road transport		3,120	3,126	3,132	3,139	3,145	3,151	3,157	3,164	3,170	3,176	3,183	2,775	37,437	39,403	41,471
Environmental protection													-	-	-	-
Trading services		36,250	36,322	36,395	36,468	36,541	36,614	36,687	36,761	36,834	36,908	36,982	32,238	435,000	461,230	489,382
Energy sources		25,566	25,617	25,668	25,720	25,771	25,823	25,874	25,926	25,978	26,030	26,082	22,737	306,793	323,900	341,352
Water management		5,521	5,532	5,543	5,554	5,565	5,576	5,587	5,598	5,609	5,621	5,632	4,910	66,247	69,724	73,385
Waste water management		2,178	2,182	2,186	2,191	2,195	2,200	2,204	2,208	2,213	2,217	2,222	1,937	26,132	27,504	28,948
Waste management		2,986	2,992	2,998	3,004	3,010	3,016	3,022	3,028	3,034	3,040	3,046	2,655	35,828	40,102	45,697
Other													-	-	-	-
Total Expenditure - Functional		62,303	62,427	62,552	62,677	62,803	62,928	63,054	63,180	63,307	63,433	63,560	55,408	747,632	790,275	835,702
Surplus/(Deficit) before assoc.		1,511	1,514	1,517	1,520	1,523	1,526	1,529	1,532	1,535	1,538	1,541	1,343	18,127	17,149	3,625
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	1,511	1,514	1,517	1,520	1,523	1,526	1,529	1,532	1,535	1,538	1,541	1,343	18,127	17,149	3,625

Table 44 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

LIM368 Modimolle-Mookgopong - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Public Office Bearers													–	–	–	–
Vote 2 - Municipal Manager													–	–	–	–
Vote 3 - Budget and Reporting													–	–	–	–
Vote 4 - Planning and Economic Devepoment													–	–	–	–
Vote 5 - Technical Services		–	325	975	1,463	1,788	2,194	975	1,300	1,625	1,950	2,600	1,204	16,250	39,367	41,539
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Community and Social Services		–	326	978	1,467	1,793	2,200	978	1,304	1,630	1,956	2,608	1,208	16,298	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital multi-year expenditure sub-total	2	–	651	1,953	2,929	3,580	4,394	1,953	2,604	3,255	3,906	5,208	2,412	32,548	39,367	41,539
Single-year expenditure *to be appropriated*																
Vote 1 - Public Office Bearers													–	–	–	–
Vote 2 - Municipal Manager													–	–	–	–
Vote 3 - Budget and Reporting													–	–	–	–
Vote 4 - Planning and Economic Devepoment													–	–	–	–
Vote 5 - Technical Services		–	757	2,271	3,407	4,164	5,110	2,271	3,028	3,785	4,542	6,056	2,460	37,850	35,000	25,000
Vote 6 - Corporate Services													–	–	–	–
Vote 7 - Community and Social Services													–	–	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital single-year expenditure sub-total	2	–	757	2,271	3,407	4,164	5,110	2,271	3,028	3,785	4,542	6,056	2,460	37,850	35,000	25,000
Total Capital Expenditure	2	–	1,408	4,224	6,336	7,744	9,504	4,224	5,632	7,040	8,448	11,264	4,872	70,398	74,367	66,539

Table 45 MBRR Table SA 29 - Budgeted monthly capital expenditure (standard classification)

LIM368 Modimolle-Mookgopong - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional	1															
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council													-	-	-	-
Finance and administration													-	-	-	-
Internal audit													-	-	-	-
Community and public safety		-	239	717	1,075	1,314	1,612	717	955	1,194	1,433	1,911	776	11,944	12,968	11,660
Community and social services													-	-	-	-
Sport and recreation		-	239	717	1,075	1,314	1,612	717	955	1,194	1,433	1,911	776	11,944	12,968	11,660
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
Economic and environmental services		-	325	975	1,463	1,788	2,194	975	1,300	1,625	1,950	2,600	1,056	16,250	15,572	13,677
Planning and development													-	-	-	-
Road transport		-	325	975	1,463	1,788	2,194	975	1,300	1,625	1,950	2,600	1,056	16,250	15,572	13,677
Environmental protection													-	-	-	-
Trading services		-	844	2,532	3,798	4,643	5,698	2,532	3,376	4,220	5,065	6,753	2,743	42,205	45,826	41,202
Energy sources		-	757	2,271	3,407	4,164	5,110	2,271	3,028	3,785	4,542	6,056	2,460	37,850	41,098	36,950
Water management													-	-	-	-
Waste water management													-	-	-	-
Waste management		-	87	261	392	479	588	261	348	435	523	697	283	4,355	4,728	4,251
Other													-	-	-	-
Total Capital Expenditure - Functional	2	-	1,408	4,224	6,336	7,744	9,504	4,224	5,632	7,040	8,448	11,264	4,576	70,398	74,367	66,539
Funded by:																
National Government		-	1,408	4,224	6,336	7,744	9,504	4,224	5,632	7,040	8,448	4,576	11,264	70,398	74,367	66,539
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public													-	-	-	-
Transfers recognised - capital		-	1,408	4,224	6,336	7,744	9,504	4,224	5,632	7,040	8,448	4,576	11,264	70,398	74,367	66,539
Borrowing													-	-	-	-
Internally generated funds													-	-	-	-
Total Capital Funding		-	1,408	4,224	6,336	7,744	9,504	4,224	5,632	7,040	8,448	4,576	11,264	70,398	74,367	66,539

Table 46 MBRR Table SA30 - Budgeted monthly cash flow

LIM368 Modimolle-Mookgopong - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source													1		
Property rates	8,964	8,982	9,000	9,018	9,036	9,054	9,072	9,090	9,108	9,126	9,145	7,972	107,563	105,663	111,211
Service charges - electricity revenue	16,359	16,392	16,425	16,458	16,491	16,524	16,557	16,590	16,623	16,656	16,689	14,549	196,311	199,574	210,051
Service charges - water revenue	4,998	5,008	5,018	5,028	5,038	5,048	5,058	5,068	5,079	5,089	5,099	4,445	59,976	54,709	57,581
Service charges - sanitation revenue	1,878	1,882	1,886	1,889	1,893	1,897	1,901	1,905	1,908	1,912	1,916	1,670	22,538	20,332	21,400
Service charges - refuse revenue	1,353	1,356	1,358	1,361	1,364	1,366	1,369	1,372	1,375	1,377	1,380	1,203	16,235	14,809	15,586
Rental of facilities and equipment	74	74	75	75	75	75	75	75	75	76	76	66	891	938	987
Interest earned - external investments	50	50	50	50	50	51	51	51	51	51	51	44	600	632	665
Interest earned - outstanding debtors	2,042	2,046	2,050	2,054	2,058	2,062	2,066	2,070	2,074	2,079	2,083	1,816	24,499	25,785	27,139
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	31	31	31	31	32	32	32	32	32	32	32	28	375	395	415
Licences and permits	353	354	355	355	356	357	357	358	359	360	360	314	4,239	4,461	4,695
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	61,719					37,032			24,688			-	123,439	129,919	136,740
Other revenue	1,344	1,347	1,350	1,352	1,355	1,358	1,360	1,363	1,366	1,369	1,371	1,195	16,131	16,978	17,869
Cash Receipts by Source	99,166	37,521	37,596	37,672	37,747	74,854	37,898	37,974	62,738	38,126	38,202	33,303	572,797	574,194	604,339
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	36,159					21,695			14,463			-	72,317	76,439	68,725
Total Cash Receipts by Source	135,324	37,521	37,596	37,672	37,747	96,549	37,898	37,974	77,201	38,126	38,202	33,303	645,114	650,633	673,064

Cash Payments by Type															
Employee related costs	20,684	20,726	20,767	20,809	20,850	20,892	20,934	20,976	21,018	21,060	21,102	18,395	248,211	264,345	281,527
Remuneration of councillors	1,161	1,163	1,166	1,168	1,170	1,173	1,175	1,177	1,180	1,182	1,184	1,032	13,931	14,837	15,801
Finance charges	5,130	5,140	5,150	5,161	5,171	5,181	5,192	5,202	5,212	5,223	5,233	4,562	61,558	64,789	68,191
Bulk purchases - Electricity	18,084	18,120	18,156	18,193	18,229	18,266	18,302	18,339	18,375	18,412	18,449	16,083	217,008	207,351	218,237
Bulk purchases - Water & Sewer	2,035	2,039	2,043	2,047	2,051	2,055	2,059	2,063	2,068	2,072	2,076	1,810	24,417	20,437	21,510
Other materials	618	619	620	621	623	624	625	626	628	629	630	549	7,411	7,800	8,209
Contracted services	5,372	5,383	5,393	5,404	5,415	5,426	5,437	5,448	5,459	5,469	5,480	4,777	64,464	67,848	71,410
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-			
Transfers and grants - other	70	70	70	70	71	71	71	71	71	71	71	62	840		
Other expenditure	4,545	4,554	4,563	4,572	4,582	4,591	4,600	4,609	4,618	4,628	4,637	4,042	54,542	54,248	57,096
Cash Payments by Type	**57,698**	**57,814**	**57,929**	**58,045**	**58,161**	**58,278**	**58,394**	**58,511**	**58,628**	**58,745**	**58,863**	**51,313**	**692,381**	**701,654**	**741,981**
Other Cash Flows/Payments by Type															
Capital assets	6,026	6,038	6,051	6,063	6,075	6,087	6,099	6,111	6,124	6,136	6,148	5,360	72,317	76,439	68,725
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	**63,725**	**63,852**	**63,980**	**64,108**	**64,236**	**64,365**	**64,493**	**64,622**	**64,752**	**64,881**	**65,011**	**56,673**	**764,698**	**778,093**	**810,706**
NET INCREASE/(DECREASE) IN CASH HELD	**71,600**	**(26,331)**	**(26,384)**	**(26,436)**	**(26,489)**	**32,185**	**(26,595)**	**(26,648)**	**12,449**	**(26,755)**	**(26,809)**	**(23,370)**	**(119,585)**	**(127,460)**	**(137,642)**
Cash/cash equivalents at the month/year begin:	22,789	94,389	68,058	41,674	15,238	(11,251)	20,933	(5,662)	(32,310)	(19,861)	(46,616)	(73,425)	22,789	(96,795)	(224,256)
Cash/cash equivalents at the month/year end:	94,389	68,058	41,674	15,238	(11,251)	20,933	(5,662)	(32,310)	(19,861)	(46,616)	(73,425)	(96,795)	(96,795)	(224,256)	(361,898)

Table 47 MBRR Table SA32 – List of external mechanisms

LIM368 Modimolle-Mookgopong - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand

Table 48 MBRR Table SA33 – Contracts having future budgetary implications

LIM368 Modimolle-Mookgopong - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate
Parent Municipality:							
Revenue Obligation By Contract	2						
EMS LINGANE JV				18,000	18,945	19,940	56,885
TMT				250	263	277	790
Contract 3 etc							–
Total Operating Revenue Implication		–	–	18,250	19,208	20,217	57,675
Expenditure Obligation By Contract	2						
SECURITY				12,430	13,083	13,769	39,282
FLEET				36,000	37,890	39,879	113,769
XEROX				1,044	1,099	1,156	3,299
MUNSOFT				5,600	5,894	6,203	17,697
COMBINED SYSTEM				6,100	6,420	6,757	19,278
PAYDAY				90	94	99	283
BATHATHU				4,200	4,421	4,653	13,273
MICROSOFT				2,200	2,316	2,437	6,953
LEGAL FEES				6,000	6,315	6,647	18,962
Contract 3 etc							–
Total Operating Expenditure Implication		–	–	73,664	77,531	81,601	232,796
Capital Expenditure Obligation By Contract	2						
Contract 1							–
Contract 2							–
Contract 3 etc							–
Total Capital Expenditure Implication		–	–	–	–	–	–
Total Parent Expenditure Implication		–	–	73,664	77,531	81,601	232,796

Table 49 MBRR Table SA 34a - Capital expenditure on new assets by asset class

LIM368 Modimolle-Mookgopong - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		37,496	32,384	24,042	54,243	57,246	57,246	58,455	74,367	66,539
Roads Infrastructure		10,744	1,725	9,404	9,764	9,764	9,764	16,250	39,367	41,539
Roads		10,744	1,725	9,404	9,764	9,764	9,764	16,250	39,367	41,539
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		1,170	5,336	–	23,000	24,782	24,782	37,850	35,000	25,000
Power Plants										
HV Substations		1,170	5,336		23,000	24,782	24,782	37,850	35,000	25,000
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		16,051	989	–	–	1,100	1,100	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs		16,051	989			1,100	1,100			
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		8,346	20,058	–	–	121	121	–	–	–
Pump Station										
Reticulation		8,346	20,058							
Waste Water Treatment Works						121	121			
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		1,185	4,275	14,639	21,479	21,479	21,479	4,355	–	–
Landfill Sites		1,185	4,275	14,639	21,479	21,479	21,479	4,355		
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Community Assets		2,769	3,797	–	5,387	5,387	5,387	11,944	–	–
Sport and Recreation Facilities		2,769	3,797	–	5,387	5,387	5,387	11,944	–	–
Indoor Facilities										
Outdoor Facilities		2,769	3,797		5,387	5,387	5,387	11,944		
Capital Spares										
Furniture and Office Equipment		–	–	530	–	–	–	–	–	–
Furniture and Office Equipment				530						
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Total Capital Expenditure on new assets	1	40,265	36,181	24,572	59,630	62,633	62,633	70,398	74,367	66,539

Table 50 MBRR Table SA 34b - Capital expenditure on the renewal of existing assets by asset class

LIM368 Modimolle-Mookgopong - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		46,925	16,880	5,510	–	–	–	–	–	–
Roads Infrastructure		17,973	971	–	–	–	–	–	–	–
Roads		17,973	971							
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		4,402	65	48	–	–	–	–	–	–
Power Plants										
HV Substations		4,402	65	48						
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		22,837	11,524	3,570	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works				3,570						
Bulk Mains										
Distribution		22,837	11,524							
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		1,712	4,320	1,892	–	–	–	–	–	–
Pump Station										
Reticulation				1,892						
Waste Water Treatment Works		1,712	4,320							
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Total Capital Expenditure on renewal of existing	1	46,925	16,880	5,510	–	–	–	–	–	–
Renewal of Existing Assets as % of total capex		*0.0%*	*31.8%*	*18.3%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal of Existing Assets as % of deprecn"		*91.3%*	*24.0%*	*8.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Table 51 MBRR Table SA34c - Repair and maintenance expenditure by asset class

LIM368 Modimolle-Mookgopong - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		17,225	96,452	76,229	84,356	69,728	69,728	31,141	32,776	34,496
Roads Infrastructure		780	27,052	23,310	27,688	22,325	22,325	9,970	10,589	11,145
Roads		780	27,052	23,310	27,688	22,325	22,325	9,970	10,589	11,145
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		100	1,661	591	1,700	1,700	1,700	759	799	841
Drainage Collection		100	206	-	211	211	211	94	99	104
Storm water Conveyance			1,455	591	1,490	1,490	1,490	665	700	737
Attenuation										
Electrical Infrastructure		4,896	30,881	20,569	26,955	19,154	19,154	8,554	8,907	9,375
Power Plants						-				
HV Substations		4,896	29,032	19,720	24,859	17,057	17,057	7,618	8,018	8,439
HV Switching Station						-		-		
HV Transmission Conductors			742		760	760	760	339	357	376
MV Substations			1,107	849	1,133	1,133	1,133	506	533	561
MV Switching Stations						-		-		
MV Networks						-		-		
LV Networks					203	203	203	91		
Capital Spares						-		-		
Water Supply Infrastructure		8,748	24,335	20,663	20,051	20,051	20,051	8,955	9,425	9,920
Dams and Weirs						-				
Boreholes		8,748	861	606	881	881	881	394	414	436
Reservoirs			940	738	962	962	962	430	452	476
Pump Stations						-		-		
Water Treatment Works			1,158	993	1,185	1,185	1,185	529	557	586
Bulk Mains				-	-	-		-		
Distribution			21,376	18,326	17,023	17,023	17,023	7,602	8,001	8,422
Distribution Points					-	-				
PRV Stations						-				
Capital Spares						-				
Sanitation Infrastructure		2,701	12,523	11,097	7,961	6,498	6,498	2,902	3,055	3,215
Pump Station		-	693	500	709	709	709	317	333	351
Reticulation		2,701	1,316	1,628	1,347	1,347	1,347	602	633	666
Waste Water Treatment Works			10,415	8,929	5,804	4,341	4,341	1,939	2,041	2,148
Outfall Sewers			99	40	101	101	101	45	48	50
Toilet Facilities						-				
Capital Spares						-				
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										

Community Assets		333	387	230	396	396	396	177	186	196
Community Facilities		220	119	-	122	122	122	54	57	60
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals		220	119		122	122	122	54	57	60
Capital Spares										
Sport and Recreation Facilities		112	268	230	274	274	274	123	129	136
Indoor Facilities										
Outdoor Facilities		112	268	230	274	274	274	123	129	136
Capital Spares										
Other assets		728	724	564	741	741	741	331	348	367
Operational Buildings		728	724	564	741	741	741	331	348	367
Municipal Offices		325	718	564	735	735	735	328	345	364
Pay/Enquiry Points								-		
Building Plan Offices								-		
Workshops								-		
Yards		403	6		6	6	6	3	3	3
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Intangible Assets		-	402	272	412	412	412	184	194	204
Servitudes										
Licences and Rights		-	402	272	412	412	412	184	194	204
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications			402	272	412	412	412	184	194	204
Load Settlement Software Applications										
Unspecified										
Computer Equipment		52	510	345	522	522	522	233	245	258
Computer Equipment		52	510	345	522	522	522	233	245	258
Furniture and Office Equipment		70	416	244	426	426	426	190	200	211
Furniture and Office Equipment		70	416	244	426	426	426	190	200	211
Machinery and Equipment		2,272	1,177	1,294	1,545	1,545	1,545	690	726	764
Machinery and Equipment		2,272	1,177	1,294	1,545	1,545	1,545	690	726	764
Transport Assets		-	-	1,152	1,134	1,134	1,134	507	533	561
Transport Assets				1,152	1,134	1,134	1,134	507	533	561
Total Repairs and Maintenance Expenditure	1	20,681	100,067	80,331	89,531	74,904	74,904	33,452	35,208	37,057
R&M as a % of PPE		1.5%	7.4%	6.5%	6.7%	6.1%	6.1%	0.0%	2.7%	2.7%
R&M as % Operating Expenditure		4.3%	13.1%	10.9%	12.7%	12.6%	12.6%	0.0%	4.7%	4.7%

Table 52 MBRR Table SA 34d – Depreciation by asset class

LIM368 Modimolle-Mookgopong - Supporting Table SA34d Depreciation by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Depreciation by Asset Class/Sub-class										
Infrastructure		40,293	41,273	50,678	49,345	45,367	45,367	19,191	20,199	21,259
Roads Infrastructure		18,380	18,993	20,240	20,132	18,143	18,143	8,731	9,189	9,671
Roads		18,380	18,993	20,240	20,132	18,143	18,143	8,731	9,189	9,671
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	36	547	39	39	39	45	47	50
Drainage Collection										
Storm water Conveyance			36	547	39	39	39	45	47	50
Attenuation										
Electrical Infrastructure		6,296	7,063	7,754	7,487	7,487	7,487	1,452	1,528	1,608
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks		6,296	7,063	7,754	7,487	7,487	7,487	1,452	1,528	1,608
LV Networks										
Capital Spares										
Water Supply Infrastructure		7,575	7,679	8,437	8,140	7,145	7,145	4,532	4,770	5,021
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works		7,575	7,679	8,437	8,140	7,145	7,145	4,532	4,770	5,021
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		50	–	6,242	5,595	5,595	5,595	4,432	4,664	4,909
Pump Station		50								
Reticulation				446	469	469	469	4,432	4,664	4,909
Waste Water Treatment Works				4,017	3,845	3,845	3,845			
Outfall Sewers				1,780	1,282	1,282	1,282			
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		7,992	7,502	7,459	7,952	6,957	6,957	–	–	–
Landfill Sites		7,992	7,502	7,459	7,952	6,957	6,957			
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Computer Equipment		396	–	360	483	483	483	–	–	–
Computer Equipment		396		360	483	483	483			
Furniture and Office Equipment		10,711	6,691	9,650	7,093	7,093	7,093	2,290	2,410	2,537
Furniture and Office Equipment		10,711	6,691	9,650	7,093	7,093	7,093	2,290	2,410	2,537
Machinery and Equipment		–	22,488	2,162	17,759	6,131	6,131	33,174	34,916	36,749
Machinery and Equipment			22,488	2,162	17,759	6,131	6,131	33,174	34,916	36,749
Transport Assets		–	–	1,703	–	–	–	–	–	–
Transport Assets				1,703						
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	51,401	70,453	64,554	74,680	59,074	59,074	54,655	57,525	60,545

Table 53 MBRR Table SA 34e – Capital expenditure on the upgrading of existing asset by asset class

LIM368 Modimolle-Mookgopong - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Total Capital Expenditure on upgrading of existing a	1	–	–	–	–	–	–	–	–	–
Upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Upgrading of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Table 54 MBRR Table SA 35 - Future financial implications of the Capital budget

LIM368 Modimolle-Mookgopong - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
Capital expenditure	1							
Vote 1 - Public Office Bearers		–	–	–				
Vote 2 - Municipal Manager		–	–	–				
Vote 3 - Budget and Reporting		–	–	–				
Vote 4 - Planning and Economic Devepoment		–	–	–				
Vote 5 - Technical Services		54,100	74,367	66,539				
Vote 6 - Corporate Services		–	–	–				
Vote 7 - Community and Social Services		16,298	–	–				
Vote 8 - [NAME OF VOTE 8]		–	–	–				
Vote 9 - [NAME OF VOTE 9]		–	–	–				
Vote 10 - [NAME OF VOTE 10]		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		70,398	74,367	66,539	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Public Office Bearers		20,076	21,130	22,258				
Vote 2 - Municipal Manager		26,243	27,621	29,071				
Vote 3 - Budget and Reporting		87,736	92,342	97,190				
Vote 4 - Planning and Economic Devepoment		22,274	23,443	24,674				
Vote 5 - Technical Services		436,609	460,531	485,156				
Vote 6 - Corporate Services		63,159	66,474	69,964				
Vote 7 - Community and Social Services		91,537	98,735	107,389				
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		747,632	790,275	835,702	–	–	–	–
Future revenue by source	3							
Property rates		143,418	150,947	158,872				
Service charges - electricity revenue		223,081	234,793	247,119				
Service charges - water revenue		79,969	84,167	88,586				
Service charges - sanitation revenue		32,197	33,887	35,666				
Service charges - refuse revenue		21,646	22,783	23,979				
Rental of facilities and equipment		891	938	987				
Interest earned - external investments		600	632	665				
Interest earned - outstanding debtors		48,998	51,552	54,221				
Fines, penalties and forfeits		750	789	831				
Licences and permits		4,239	4,461	4,695				
Transfers and subsidies		123,439	131,131	139,298				
Other revenue		16,131	16,978	17,869				
List entity summary if applicable								
Total future revenue		695,358	733,058	772,788	–	–	–	–
Net Financial Implications		122,673	131,585	129,452	–	–	–	–

Table 55 MBRR Table SA 36 - Detailed capital budget

LIM368 Modimolle-Mookgopong - Supporting Table SA36 Detailed capital budget

R thousand											2020/21 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality:													
List all capital projects grouped by Function													
Electricity	Electrification of Phagameng EXT 12		New	Electrical Infrastructure	LV Networks						7,650		
	Electrification of Leeuchtl plots		New	Electrical Infrastructure	LV Networks						350		
	Transmission line 132kV(Planning)		New	Electrical Infrastructure	MV Networks						500		
	New Modimolle Substation		New	Electrical Infrastructure	HV Substations						25,500		
	Phagameng Ext 9 Phomolong High Mast lights x 2		New	Electrical Infrastructure	Unspecified						550		
	Phagameng Ext 12 Phomolong High Mast lights x 2		New	Electrical Infrastructure	Unspecified						1,100		
	Phagameng Ext 11 Phomolong High Mast lights x 2		New	Electrical Infrastructure	Unspecified						1,100		
	Phagameng Ext 17 Phomolong High Mast lights x 2		New	Electrical Infrastructure	Unspecified						1,100		
	Modimolle substation		New	Electrical Infrastructure	HV Substations							35,000	25,000
Roads	Paving of Phagameng Ext 10 Main Road Ward 3		New	Roads Infrastructure	Road Structures						16,250	17,715	18,692
Sports and Recreation	Development of Leseding Ext 1 Sport Facility (Phase 3) Ward3		New	Sport and Recreation Facilities	Public Open Space						2,150	11,810	12,462
	Rehabilitation and Development of Park for old Modimolle Dumping Site		New	Sport and Recreation Facilities	Public Open Space						9,794	5,905	6,231
Waste Management	Modimolle Establishment of Landfill Site (Phase 2) Ward11		New	Solid Waste Infrastructure	Landfill Sites						4,355	3,937	4,154
Parent Capital expenditure									-	-	70,398	74,367	66,539
Total Capital expenditure									-	-	70,398	74,367	66,539

Table 6 MBRR Table SA 38 – Consilidated detaild operational projects

LIM368 Modimolle-Mookgopong - Supporting Table SA38 Consolidated detailed operational projects

R thousand			Prior year outcomes		2020/21 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Ward Location	Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality:							
List all operational projects grouped by Function							
Executive and Council	Operational: Municipal Running Cost	Whole of the municipality	7,905	22,950	21,346	22,467	23,646
	Operational: Typical Work Stream	Whole of the municipality	4,256	16,893	11,494	12,097	12,733
Finance and Administration	Operational: Municipal Running Cost	Whole of the municipality	263,258	52,110	82,186	86,501	91,043
	Operational: Typical Work Stream	Whole of the municipality	184,281	90,931	57,531	60,551	63,730
	Operational: Maintenance: Corrective and preventative	Whole of the municipality	78,977	105	24,656	25,950	27,313
Planning and Development	Operational: Municipal Running Cost	Whole of the municipality	–	16,002	11,137	11,721	12,337
	Operational: Typical Work Stream	Whole of the municipality	–	904	7,796	8,205	8,636
	Operational: Maintenance: Corrective and preventative	Whole of the municipality	–	614	3,341	3,516	3,701
Community and Social Services	Operational: Municipal Running Cost	Whole of the municipality	179	7,460	5,838	6,144	6,467
	Operational: Typical Work Stream	Whole of the municipality	125	574	4,086	4,301	4,527
	Operational: Maintenance: Corrective and preventative	Whole of the municipality	54	240	1,751	1,843	1,940
Public Safety	Operational: Municipal Running Cost	Whole of the municipality	–	3,625	15,473	16,286	17,141
	Operational: Typical Work Stream	Whole of the municipality	–	9	8,332	8,769	9,230
Road Transport	Operational: Municipal Running Cost	Whole of the municipality	–	29,183	18,719	19,701	20,736
	Operational: Typical Work Stream	Whole of the municipality	–	22,960	13,103	13,791	14,515
	Operational: Maintenance: Corrective and preventative	Whole of the municipality	–	1,094	5,616	5,910	6,221
Sport and Recreation	Operational: Municipal Running Cost	Whole of the municipality	–	10,239	10,114	10,645	11,204
	Operational: Typical Work Stream	Whole of the municipality	–	1,978	7,080	7,452	7,843
	Operational: Maintenance: Corrective and preventative	Whole of the municipality	–	2,372	3,034	3,194	3,361
Energy Sources	Operational: Municipal Running Cost	Whole of the municipality	90,941	181,876	153,396	161,950	170,676
	Operational: Typical Work Stream	Whole of the municipality	63,658	17,372	107,378	113,365	119,473
	Operational: Maintenance: Corrective and preventative	Whole of the municipality	27,282	5,304	46,019	48,585	51,203
Water Management	Operational: Municipal Running Cost	Whole of the municipality	7,344	35,950	33,123	34,862	36,693
	Operational: Typical Work Stream	Whole of the municipality	5,141	15,999	23,186	24,404	25,685
	Operational: Maintenance: Corrective	Whole of the municipality	2,203	8,983	9,937	10,459	11,008
Waste Water Management	Operational: Municipal Running Cost	Whole of the municipality	70	8,522	13,066	13,752	14,474
	Operational: Typical Work Stream	Whole of the municipality	49	10,329	9,146	9,626	10,132
	Operational: Maintenance: Corrective and preventative	Whole of the municipality	21	2,797	3,920	4,126	4,342
Waste Management	Operational: Municipal Running Cost	Whole of the municipality	–	17,411	17,914	20,051	22,848
	Operational: Typical Work Stream	Whole of the municipality	–	9,145	12,540	14,036	15,994
	Operational: Maintenance: Corrective and preventative	Whole of the municipality	–	293	5,374	6,015	6,855
Parent Operational expenditure			**735,744**	**594,221**	**747,632**	**790,275**	**835,702**
Total Operational expenditure			**735,744**	**594,221**	**747,632**	**790,275**	**835,702**

Part 3 – SUPPORTING DOCUMENTS

1. OVERVIEW OF THE ANNUAL BUDGET PROCESS

In undertaking its annual budget process, Modimolle-Mookgophong Local Municipality was guided by the following key legislation and documents:

- Municipal Finance Management Act;
- Municipal Systems Act;
- The National Spatial Development Framework; and
- The Limpopo Provincial Government and Development Strategy.
- National Treasury Circular 54.
- Municipal Regulation on Standard Chart of Accounts

The municipality is always conscious of the fact the IDP, Budget and other consultative processes have to be undertaken with credibility and honesty in order to ensure good governance and accountability. The municipality engaged its various stakeholders in preparing this 2020/21 MTREF budget, including the communities in all the eight (8) wards, the local Chamber of Commerce and national and provincial government departments. These stakeholders are diverse and included local SMMEs, formal businesses, street vendors, agricultural and mining communities as well as ordinary members of our communities.

Lim 368 Local Municipality engaged in the IDP and Budget processes as one process. The objective was to strengthen the synergy between the IDP and the Budget to ensure that they are consistent and linked. This new process had some hiccups but these will be addressed as more experience is gained in this initiative. From these community participation and consultation processes, the municipality identified and prioritised the needs of the communities. As is almost always the case in any budget process, some priorities were identified that could not be funded in the 2020/21 financial year. These priorities and their related programmes/ projects were then included in the medium term IDP for funding consideration once additional funding becomes available, currently or in the future years.

In all these public consultation and participation process, including internal prioritisation and negotiation processes, the Mayor played an active oversight role over the IDP and Budget as required by Section 53(1) (a) of the MFMA, which states that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. Under the guidance of the Mayor, engagements were also held over a number of days with the Councillors in the budget and prioritisation processes. The table below is an extract of the key deadlines relating to the Budget and IDP processes as required by Section 21(1) (b) of the Municipal Finance Management Act, 2003.

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe, by regulation such measures in terms of section 168 thereof.

In terms of section 169(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Minister of Finance has signed into effect and subsequently published the Municipal Regulations on a Standard Chart of Accounts (SCOA) in terms of Notice 312 of 2014, Government Gazette No. 37577 (attached) subsequent to formal consultation.

2. OVERVIEW OF ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN

In reviewing the IDP and preparing the 2020/21 MTREF, public consultations were conducted with various stakeholders in order to identify their needs and priorities. As mentioned in the preceding section, the municipality collated the information and prioritized the needs. When determining the available funding against the needs and projects, due consideration was given to the operating expenditure implications for the capital projects over the lifespan of the projects.

3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The measurable performance indicators and objectives for revenue and expenditure (both capital and operating) are contained in the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality and the Section 57 (Municipal Systems Act) managers. The SDBIP has been designed such that it gives effect to the implementation of the budget, with quarterly performance targets. The SDBIP will be submitted to the Mayor immediately after the budget has been approved. The timeframes as contained in Section 53(1) (c) of the MFMA will be complied with.

4. DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT

4.1 Water Service Authority and Water Service Provider

Modimolle-Mookgophong is the Water Service Authority (WSA) and the Water Service Provider. Magalies Water Board serve as a Water Service Provider (WSP), providing only a portion of the bulk requirements to Modimolle. Modimolle-Mookgophong LM operates both the Water and Waste Water Treatment Works.

4.2 Blue and Green Drop Rating

The overall Blue drop rating for the Municipality is standing at 70.10%. Areas for concern are the low skills of our employees in the division, as they cannot be classified under the DWA regulations. The treatment woks require at least a Class III Process Controller and our employees are sitting at Class 0.

The overall Green Drop PAT rating is currently sitting at 43.3%. No score or report issued for the 2017/18 audit. Areas for concern are the low skills of our employees in the division, as they cannot be classified under the DWA regulations. The treatment woks require at least a Class III Process Controller and our employees are sitting at Class 1 and Class 0.

4.3 Water Safety Plan and Waste Water Risk Abatement Plan (W_2RAP)

The water safety plan is being reviewed annually and items that emanate from the risk assessment are being included in the budget.
Department of Water Affairs assisted the municipality in developing the first wastewater risk abatement plan.

4.4 Challenges with regards to management of drinking water and waste water

Ageing infrastructure

Skills and qualifications of our process.
Water quality analysis instruments.
Limited operations and maintenance budget for both water and wastewater treatment works including the distribution networks.
Aged infrastructure.

5. OVERVIEW OF BUDGET RELATED POLICIES

The municipality has come to the realisation that for the budget to be credible and balanced, it must be supported by policies that guide the revenue and expenditure estimates. Modimolle-Mookgophong Local Municipality aims to deliver services that are affordable to its communities. To ensure this, the budget related policies have been reviewed, and other policies are in the process of review, to take the socio-economic realities of the communities into account. This reality, however, is balanced with the realisation that the municipality must be financially sustainable.

6. OVERVIEW OF BUDGET ASSUMPTIONS

In MFMA Circular 54,66,67,70,91, 93 and 94 the National Treasury has cautioned municipalities to prepare budgets within the context of the economic crises that are felt everywhere in the globe. Some of the economic crises that will impact on the budget are slow growth in the local economy of the

municipality, shrinking employment and declining income levels. These factors, in turn, will impact on the demand for and affordability of municipal services. The budget has to be responsive to the needs of the community but also structured in such a manner that it facilitates local economic development and job creation. Three factors are very important in this regard, namely;

- The municipality must collect all revenue due from those households and members of the community who can afford to pay for the municipal services they receive but refuse, or ignore, to do so;
- The municipality must exercise financial discipline to avoid unnecessary, nice-to-have and non-priority expenditure. The following examples was given:
  - expenditure on membership and other related costs associated with The South African Municipal Sports and Recreation Association (SAMSRA)
  - excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;
  - public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);
  - LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;
  - excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;
  - arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);
  - excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);
  - excessive luxurious office accommodation and office furnishings;
  - foreign travel by mayors, councillors and officials, particularly 'study tours'
  - excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances. Municipalities are reminded that in terms of section 7 (1) of the Remuneration of Public Office-bearers Act, 1998 (Act No.20 of 1998) the Minister for Cooperative Governance and Traditional Affairs must determine the limit of salaries and allowances of the different members of municipal councils and any budget provision may not be outside this framework;
  - excessive staff in the office of the mayor – particularly the appointment of political 'advisors' and 'spokespersons';
  - all donations to individuals that are not made in terms of the municipality's indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);
  - costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or 'golden handshakes'; and
  - the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants;
  - excessive overtime.
- The municipality must effectively utilise its assets, making the assets to sweat as reflected by the ratio of operating income to assets, particularly the income generating assets. This has been balanced with increased budget on repairs and maintenance to ensure that the infrastructure assets are maintained at higher levels.

This budget has been prepared based on the following assumptions:

Table 56 - Budget assumptions

Financial year	2020 Forecast	2021 Forecast	2022 Forecast
Headline CPI inflation	4.5%	4.6%	4.6%
Revenue collection rate (average)	75%	85%	70%
Salaries (LGBA)	Projected CPI +1.25%	Projected CPI	Projeted CPI

Source:MFMA circular 99

In MFMA Circular 94, National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible.
National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore municipalities are required to justify all increases in excess of the projected inflation target for 2020/21 in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups.

Key assumptions for budgeted operating revenue

The following assumptions were used in determining the number of households per service:
The total number of households per service is based on the 2016 community survey data (28 977) as well as increases in the number of households with access to services in 2019/20. In the two outer years, the number of households have been updated based on the projected growth rate and as per the 2020 Equitable share data which is based on the average growth rate from the 2011 Census and 2016 Community survey.

Energy: During the 2017/18 financial year, prepaid electricity meters were installed in 500 households. The municipality has been conservative in projecting Service charges-electricty revenue from this area. The municipality has engaged the services of EMS Lingani to perform meter audit and replaced old dysfunctional meters to ensure accurate billing.

While the municipality will take all measures to avert the possible power interruptions, the municipality has been conservative in estimating increases in electricity consumption in 2020/21.

Water and Sanitation: Increases in the number of households with access to the water and sanitation service as projected in Table A10: Basic service delivery measurement is expected to be minimal.

Refuse: Similar to the Water and Sanition sevices, the expected increase in the number of households to be provided with the refuse removal service is marginal and has been factored in the budget for Service charges-refuse revenue.

Property rates: The property rates budget is expected to increase from R128m in 2019/20 to R143m in 2020/21 financial year. This increase is due to the anticipated implementation of the new valuation roll.

Tariffs: It must be noted that the proposed tariffs per service are provided under the Executive summary and Annexure A.

The table below reflects the budgeted tariff increases per municipal service as well as an increase in Property rates randage.

Services and Rates	Average % increase 2020/21	Average % increase 2021/22	Average % increase 2022/23
Electricity	13%	5.25%	5.25%
Water	12.5%	5.25%	5.25%
Sanitation	5.25%	5.25%	5.25%
Refuse removal	5.25%	5.25%	5.25%
Property rates	5.25%	5.25%	5.25%

Interest earned-external investments: The decrease in the budget for Interest earned on external investments is due to the fact that the Investments held are expected to decrease in view of the municipality's current financial challenges.

Interest earned-outstanding debtors: To a large extent, the projections for this line item were based on the 2019/20 current year trends which show a decline in the debtors collection. While the municipality will implement measures to improve debt collection, the impact of these measures may not be felt immediately. The municipality notes that the collectability of this revenue may prove to be difficult and this has been factored in the budget for Debt impairment and the projected cash receipts from this line item.

Rental of facilities and equipment: The budget for rental of facilities is based on the 2018/19 financial year, however the municipality is still awaiting the finalisation of the valuer report of market related tariffs.

Fines, penalties and forfeits: Consideration was given to the revenue generated from Fines in the 2018/19 financial year. This budgeted amount is conservative. The municipality will ensure that revenue and collections from this line item are enhanced in future budget periods.

Licences and permits: Revenue for this line item has shown a decreasing trend from prior years (based on the AFS of the municipalities). The revenue generated in the 2018/19 showed an increase, the municipality had to be conservative in budgeting for this line item.

Operating Transfers and subsidies: A breakdown of the budgeted operating Transfers and subsidies is provided under the Executive summary on the Operating revenue framework. The budgeted transfers and subsidies are in accordance with the 2020 Division of Revenue Bill. The municipality has allocated five per cent (5%) of the MIG funding under the operating budget to cater for the Project Management Unit operations.

Other revenue: A decrease is noted in the budget for Other revenue from 2019/20 adjusted budget to 2020/21 mainly because of the prior years trends and the difficulties in raising sufficient own revenue by the municipality. A review of the budgeted revenue as per the detailed breakdown provided in the budget Schedules has been done prior to finalisation of the budget.

Key assumptions for the budgeted operating expenditure

Employee Related costs: Basic Salary will increase by 6.25% in terms of the collective bargaining council agreement.

Remuneration of Councillors is budgeted at R13.9m in the 2020/21 budget which is informed by the current year performance and the Government Gazzette on the remuneration of Public Officers.

Depreciation and asset impairment: The budget for this line item is informed by the municipalities Asset Management Policy.

Debt impairment: Consideration was given to the poor revenue collection and debtors collection rate as well as the projected bad debts.

Finance charges: This budgeted line item includes interest charges as well as contribition to provisions.

Bulk purchases: The budget for bulk purchases for electricity has increased by 25% from the adjustment budget which amount to R197m. The increase is also informed by the new tariffs implemented by NERSA.

The bulk purchases budget for water has increased by 18%.

Contracted services: This line item includes amongst others, contractors for the following services ie. Security services, Fleet management, Consultants and professional services, legal costs which totals about R64m.

Repairs and maintenance (R & M) as a percentage of PPE stands at 2.6% which is lower than the recommended 8%, however, the municipality will develop and implement an Asset management plan together with a procurement plan. This will ensure improved budgeted allocation on R & M.

Free Basic Services: The number of identified Indigents budgeted for is lower than the actual number of poor households as per the 2016 community survey. The municipality will ensure that the updated Indigent register is maintained.

Other expenditure
This line item includes amongst others services like: Audit Fees, external computer services, insurance, advertising and stationery, servitude for bore holes and cleaning materials.

7. OVERVIEW OF BUDGET FUNDING

Section 18(1) of the MFMA requires the budget of a municipality to be funded from-

(i) Realistically anticipated revenues to be collected;
(ii) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
(iii) Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

This budget has been prepared taking into cognizance the requirements of the abovementioned section. Revenue was estimated using a collection rate of 75% to billings. The capital budget is funded out of grants received from National Treasury. An adjusted budget will be compiled for Council consideration once more funding becomes available from either internal and/ or external sources. The 2020 Division of Revenue Bill allocations to Modimolle-Mookgophong Local Municipality are as follows for 2020/21 – 2022/23.

Table 57 - Grant allocations over the MTREF

Grant type	2020/21	2021/22	2022/23
Equitable share	R 117 790 000	R 126 359 000	R 134 312 000
Finance Management Grant	R 2 500 000	R 2 700 000	R 2 800 000
Municipal Infrastructure Grant	R 38 317 000	R 41 439 000	R 43 725 000
Extended Public Works Programme	R 1 233 0000	-	-
Integrated National electrification Program	R 34 000 000	R 35 000 000	R 25 000 000

These grants are explained below:

- Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents;
- Local Government Financial Management Grant - This grant is a conditional grant and can only be used for capacity building and Internship Programme;
- Special Contribution towards Councilor Grant - This grant forms part of the equitable share allocations;
- Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure;
- Expanded Public Works programme – To provide funding for job creations in specific focus areas, where labour intensive delivery methods can be optimized.
- Intergrated National Electrification programme – To reduce electrification backlogs through funding of households connections and bulk infrastructure (substations and lines) to ensure constant supply supply of electricity.

8. EXPENDITURE ON ALLOCATIONS FOR PROVISIONS

Provision was made in the 2020/21 budget for the following statutory and reserve fund contributions:

- Leave Reserve : R 2 027 909
- Debt Impairment : R 28 595 183.96
- Post-retirement benefit oblication R 562 305

Contributions in total amount to R 31 185 397.96 and this represents 5.2% of total operating expenditure. The working capital reserve makes provision for nonpayment of services.

9. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY (SA21)

The municipality does make grants or allocations to organs of state (Eskom) in the form of FBE subsidies.

10. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

The municipality made provision for an increase 6.25% to employee's allowances and benefits. The increase is based on the latest SALGA guidelines on wage negotiations.

The total employee related costs increased by 30% from the adjustment budget 2019/20. The total employee related costs projections where based on the actual average salaries monthy bill including projection for placement and new grading. Senior Managers employee cost increased as a result of other posts that were vacant in the 2019/20 financial year being filled.

11. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

Supporting table 7 on page 65 indicates measurable budget performance objectives per municipal vote.

The service delivery and budget implementation plans will be tabled to the Mayor within 14 days of the tabling of the budget.

12. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). See supporting table SA33 for the municipality contracts having future budgetary implications for the next 3 years.

The municipality did a cost analysis to determine the need for external security services. The cost analysis indicated that it will be more cost effective to have an external service provider rendering the services instead of the municipality.

13. CAPITAL EXPENDITURE DETAILS FOR 2020/21

The supporting table SA36 shows the details of capital budget for the 2020/21 financial year.

14. CAPITAL EXPENDITURE DETAILS FOR 2020/21

The supporting Table SA36 shows the details of capital budget for the 2020/21 financial year.
As the table shows, the funding of the capital budget is 100% grant funded.

The impact of this scenario is as follows:

MIG projects: A total of R36 million capital projects have been identified to be funded through the Municipal Infrastructure grant. Most of these projects are multi years which means they are coming through from previous years. Some are new and renewal/upgrading on existing assets.

INEP projects: The municipality has been allocated a budget of R34 million through the DORA bill. A total of R25 million (75%) of the total INEP allocation will be utilized for the contruction of the new Modimolle substation.

As the below table shows, the funding of the capital budget is grant funded.

Detailed Capital projects

Function	Project name	Term	Class	Type	2020 DORA allocation	Funding source	Budget 2020/21
Capital funding through INEP							
Eletricity	Electrification of Phagameng EXT 12	Single Yr	Transmission & Reticulation	New	34,000,000	INEP	7,650,000.00
Eletricity	Electrification of Leeudrift plots	Single Yr	Transmission & Reticulation	New		INEP	350,000.00
Eletricity	Transmission line 132KV(Planning)	Single Yr	Transmission & Reticulation	New		INEP	500,000.00
Eletricity	New Modimolle Substation	Single Yr	Transmission & Reticulation	New		INEP	25,500,000
							34,000,000
Capital funding through MIG							
Roads and	Paving of Phagameng Ext 10 Main Road Ward 3	multi yr	Roads	New	38,554,800	MIG	16,250,000
Sports	Development of Leseding Ext. 1 Sport Facility (Phase 3) Ward3	multi yr	Roads	New		MIG	2,150,000
Refuse	Modimolle Establishment of Landfill Site (Phase 2) Ward 11	multi yr	Refuse	New		MIG	4,354,800
Sports	Rehabilatation and Development of Park for old Modimolle Dumping Site	multi yr	Sports	New		MIG	9,793,650
Electricity	Phagameng Ext 9 Phomolong High Mast lights x2	multi yr	Transmission & Reticulation	New		MIG	550,000
Electricity	Phagameng Ext 12 Phomolong High Mast lights x2	multi yr	Transmission & Reticulation	New		MIG	1,100,000
Electricity	Phagameng Ext 11 Phomolong High Mast lights x2	multi yr	Transmission & Reticulation	New		MIG	1,100,000
Electricity	Phagameng Ext 17 Phomolong High Mast lights x2	multi yr	Transmission & Reticulation	New		MIG	1,100,000
							36,398,450
TOTAL CAPITAL BUDGET							**70,398,450**

15. LEGISLATION COMPLIANCE DETAILS

This budget has been prepared in accordance with the requirements of the Municipal Finance Management Act, the Municipal Budget and Reporting Regulations and the Municipal Systems Act.

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme
   The municipality is participating in the Municipal Financial Management Internship programme and has employed nine interns undergoing training in various divisions of the Financial Services Department and Internal Audit Department.

3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2020/21 MTREF in May 2020 directly aligned and informed by the 2020/21 MTREF.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

Part 4 – ANNEXURES

Annexure A: Tarif

Annexure C: Budget Related Policies

16. QUALITY CERTIFICATION

I, Dr. MS Mhlanga, the Acting Municipal Manager of Modimolle-Mookgophong Local Municipality, hereby certify that the annual draft budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name: Melusi Mhlanga

Signature: _____

Date: 12/05/2020